

# **TRAVEL AGENCY LAW**



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# TRAVEL AGENCY LAW

## CHAPTER I. GENERAL PROVISIONS

### Purpose

#### Article 1.

The purposes of this Law are to maintain fair practices in the travel business, to promote security and safety in travel, and for the development of the Traveler's convenience through the implementation of a system of registration for persons operating a travel agent business and others by ensuring correct business practices by persons operating a travel agent business and others, and encouraging proper activities of the associations organized by them.

### Definition

#### Article 2.

1. "Travel Agent Business" as stated in this Law means a business of performing any of the following activities for remuneration (except business of entering into contracts concerning rendering services of transportation as an agent for a person engaged only in the business of rendering transportation services for the Traveler):

- (1) An act of preparing a travel plan, designed for Travelers or at the request of the Traveler, specifying the destination and schedule of the travel, the contents of the transportation or accommodation services (hereinafter referred to as "Transportation, etc., Services") that the Traveler may receive, and the matters concerning the expenses that the Traveler must pay, as well as an act of entering into a contract with a person rendering Transportation, etc., Services, at one's own responsibility for the provision of the Transportation, etc., Services that are expected to be necessary for the secure provision of the Transportation, etc., Services specified in that plan to the Traveler;
- (2) Incidental to the act mentioned in the preceding Item, an act of entering into a contract with a person rendering transportation, etc.-related services at one's own responsibility for the provision of the services concerning the travel other than the transportation and

accommodation services (hereinafter referred to as "Transportation, etc.-Related Services") that are expected to be necessary for the secure provision of Transportation, etc.-Related Services to the Traveler;

- (3) In connection with the acquisition of Transportation, etc., Services, an act of entering into a contract as a representative or of acting as an intermediary or an agent on behalf of the Traveler;
- (4) In connection with the provision of Transportation, etc., Services for the Traveler, an act of entering into a contract as a representative or of acting as an intermediary on behalf of the person rendering Transportation, etc., Services;
- (5) An act of providing the Traveler with Transportation, etc., Services using transportation or accommodation facilities operated by another person;
- (6) Incidental to the acts mentioned in the preceding three Items, on behalf of the Traveler in connection with receiving Transportation, etc.-Related Services, an act of entering into a contract as a representative or of acting as an intermediary or an agent;
- (7) Incidental to the acts mentioned in Items (3) through (5) above, on behalf of the person rendering Transportation, etc.-Related Services in connection with the provision of Transportation, etc.-Related Services to the Traveler, an act of entering into a contract as a representative or of acting as an intermediary;
- (8) Incidental to the acts mentioned in Items (1), and (3) through (5) above, an act of rendering the Traveler such services as conducting tours, applying as an agent for the issuance of passports through administrative authorities and others, or other services for the convenience of the Traveler;
- (9) An act of giving consultation on travel.

2. "Travel Sub-Agent Business" as stated in this Law means business for remuneration of entering, on behalf of a person operating a Travel Agent Business, into contracts as his/her representative in connection with any of the activities listed in Items (1) through (8) in the

preceding Paragraph.

3. "Travel Business" as stated in this Law means any activities listed in Items of Paragraph 1 (including activities of entering into contracts of Organized Tour on behalf of another Travel Agent in accordance with the provisions of Paragraph 1, Article 14-2) or any activities provided for in the preceding Paragraph of entering into contracts by a person operating a Travel Sub-Agent Business as a representative.

4. "Contract for Organized Tour" as stated in this Law means any contract that a person operating a Travel Agent Business enters into with the Traveler in connection with the handling of any of the Travel Businesses mentioned in Items 1, 2, and 8 (limited to that part relating to Item 1), Paragraph 1.

5. "Contract for Arranged Tour" as stated in this Law means any contract entered into by and between a person operating a Travel Agent Business and a Traveler in connection with the handling of any of the Travel Businesses mentioned in Items 3, 4, 6 (limited to that part relating to Items 3 and 4), 7 (limited to that part relating to Items 3 and 4), and 8 (limited to that part relating to Items 3 and 4), Paragraph 1.

## **CHAPTER II. TRAVEL AGENT BUSINESS AND OTHERS**

### **Registration**

Article 3.

Any person who intends to operate a Travel Agent Business or Travel Sub-Agent Business shall be registered with the Minister of Land, Infrastructure and Transport.

### **Application for Registration**

Article 4.

1. Any person who intends to be registered in accordance with the preceding Article shall submit an application to the Minister of Land, Infrastructure and Transport stating the matters listed hereunder:

(1) The applicant's name or company name and address, and in the case of legal entity, the

names of its representative;

- (2) The names and addresses of the principal office and other offices;
- (3) The trading name, if any, for operating the business;
- (4) For any person who intends to operate a Travel Agent Business, the type of business scope as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport by taking into consideration whether or not one is conducting Organized Tours (meaning travels conducted by carrying out any of the acts mentioned in Item 1, Paragraph 1, Article 2; the same applies below) by recruiting participating Travelers and other transactions made in Travel Business;
- (5) For a person who intends to operate a Travel Agent Business, when proposing to allow a person who operates a Travel Sub-Agent Business to handle his/her Travel Business, his/her name or the company name and its address, and the name and address of the office engaged in such Travel Business;
- (6) For a person who intends to operate a Travel Sub-Agent Business, the name or the company name and address of the person operating a Travel Agent Business whom he/she is to represent.

2. Business plans and other documents stating the matters as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport shall be attached to the application.

### **Implementation of Registration**

Article 5.

In case an application is made in accordance with the provisions of the preceding Article, unless it falls under a case for rejecting registration, according to the provisions of Paragraph 1 of the following Article, the Minister of Land, Infrastructure and Transport shall register the following matters in the Travel Agents Registry or Travel Sub-Agents Registry:

- (1) Matters listed in each Item of Paragraph 1 of the preceding Article;

(2) Date of registration and registration number.

2. In case the Minister of Land, Infrastructure and Transport registers the matters in accordance with provisions of the preceding Paragraph, he/she shall notify the applicant for registration to that effect without delay.

### **Rejection of Registration**

Article 6.

1. The Minister of Land, Infrastructure and Transport shall reject the registration in case an applicant falls under any of the following:

- (1) Any person whose registration for a Travel Agent Business or a Travel Sub-Agent Business has been revoked in accordance with the provisions of Article 19, and five (5) full years have not yet passed since the date of revocation thereof (in the case of a legal entity whose related registration has been revoked, any persons who served as directors of said legal entity within sixty (60) days prior to public notification of the date and place of the hearing on the revocation, after which five (5) full years have not yet passed since the date of the revocation thereof, were included);
- (2) Any person who has been sentenced to imprisonment without hard labor or heavier than that, or fined for a violation of the provisions of this Law, and five (5) full years have not passed since the date when such sentence was executed or when he/she was relieved of such execution;
- (3) Any person who has committed an unlawful act in connection with the Travel Business within five (5) years of the application;
- (4) Any person who is a minor and who does not possess the same ability concerning business as an adult, and whose legal representative falls under any one of the preceding three Items;
- (5) Any person who has been legally declared incompetent or quasi-incompetent, or bankrupt who has not been discharged;



- (6) Any entity that is a legal entity and any one of its directors falls under any one of the foregoing Items (1) through (3) or any case of the preceding Item;
- (7) Any person who is deemed to be not capable of appointing, at every one of his/her offices, a Certified Travel Services Manager in accordance with the provisions of Article 11-2;
- (8) Any person who intends to operate a Travel Agent Business and who is deemed to be lacking sufficient financial resources conforming to the standards recognized by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport for each scope of business provided by Item (4), Paragraph 1, Article 4;
- (9) Any person who intends to operate a Travel Sub-Agent Business on behalf of two or more Travel Agents, as their agent.

2. In case the Minister of Land, Infrastructure and Transport rejects a registration in accordance with provisions of the preceding Paragraph, he/she shall notify the applicant for registration to that effect without delay together with the reason thereof.

### **Valid Term of Registration**

Article 6-2.

The valid term of registration of a Travel Agent Business shall be five (5) years from the date of registration thereof.

### **Registration of Renewal of Valid Term**

Article 6-3.

1. Any person who intends to continue to operate a registered Travel Agent Business shall renew the registration for the valid term with the Minister of Land, Infrastructure and Transport, on or before the expiration of the valid term of its registration, in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. The provisions in Article 5 through the preceding Article shall be applicable mutatis mutandis to renewing registration of the valid term. "Registration number" as stated in

Paragraph 1 of Article 5 shall instead read "registration number and the date of registration of renewal of the valid term."

3. In case an application for registration of renewal of the valid term is made on or before the expiration of the valid term of its registration in accordance with the provisions of the preceding Article, registration concerning the application shall be valid after expiration of the valid term in accordance with the preceding Article, until the notification as provided for in Paragraph 2, Article 5 or Paragraph 2, Article 6, applicable to the preceding Paragraph in connection with the application thereof is given.

4. In the case of the preceding Paragraph, when the registration of renewal of the valid term is made, the valid term of registration shall be counted from the date subsequent to the expiration of the valid term of the prior registration.

### **Change of Registered Matters and Others**

Article 6-4.

1. Any person who has been registered as a Travel Agent Business (hereinafter referred to as "Travel Agent") shall, when he/she intends to make changes in the scope of business provided by Item (4), Paragraph 1, Article 4, obtain a change of registration with the Minister of Land, Infrastructure and Transport, in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. The provisions in Articles 5 and 6 shall be applicable mutatis mutandis to the registration of a change of the matters in the preceding Paragraph. "Following matters" as stated in Paragraph 1, Article 5 shall instead read "matters regarding change", and "Travel Agents Registry or Travel Sub-Agents Registry" shall instead read "Travel Agents Registry", and "any one of the following Items as stated in Paragraph 1, Article 6" shall instead read "Item (7) or (8)".

3. A Travel Agent or a Travel Sub-Agent (hereinafter any person who has obtained the registration of a Travel Sub-Agent is referred to as such) shall, when a change is made to any of the matters listed in Items (1) through (3) or in (5), Paragraph 1, Article 4 (for a Travel Sub-Agent, Items (1) through (3) in the said Paragraph), make a notification of such change to

the Minister of Land, Infrastructure and Transport within thirty (30) days from the date of such change, together with the documents as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

4. When receiving the notification required under the provisions of the preceding Paragraph, the Minister of Land, Infrastructure and Transport shall, except when he/she revokes the registration in accordance with the provisions of Paragraph 1, Article 19, register the matter notified in the Travel Agents Registry or the Travel Sub-Agents Registry.

### **Deposit of Business Guarantee Bonds**

Article 7.

1. A Travel Agent shall deposit Business Guarantee Bonds.

2. When a Travel Agent has deposited Business Guarantee Bonds, he/she shall make a notification to that effect to the Minister of Land, Infrastructure and Transport together with a copy of the deposit document stating receipt of the said deposit.

3. A Travel Agent shall not commence business until he/she has made the notification as provided for in the preceding Paragraph.

4. In case the Minister of Land, Infrastructure and Transport has authorized registration of a Travel Agent Business, when the Travel Agent fails to make the notification as provided for in Paragraph 2 of this Article within fourteen (14) days from the date when the notification of the registration was made, the Minister of Land, Infrastructure and Transport shall make a peremptory notification to the effect that the Travel Agent must make the said notification within the period of seven (7) days or more as he/she specifies.

5. In case the Minister of Land, Infrastructure and Transport has made a peremptory notification in accordance with the provisions of the preceding Paragraph, when the Travel Agent fails to make the notification as provided for in Paragraph 2 of this Article within the period specified in accordance with the provisions of the same Paragraph, the Minister of Land, Infrastructure and Transport may revoke the registration of the said Travel Agent Business.

## **Amount and Other Aspects of Business Guarantee Bonds**

Article 8.

1. The amount of the Business Guarantee Bonds to be deposited by a Travel Agent shall be fixed by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport according to the scope of businesses of Item (4), Paragraph 1, Article 4, taking into consideration the actual situations of transactions with the Traveler in the Travel Business, and protection of the Traveler in the Travel Business, in accordance with the amount of transactions with the Traveler in the Travel Business during the previous business year by the said Travel Agent (in case the said Travel Agent deposits the Business Guarantee Bonds in the business year when the registration in accordance with Article 3 has been obtained, and in other cases as provided for by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, the amount shall be fixed by such Ordinance).

2. In case the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as provided for in the preceding Paragraph is revised, and the amount of the Business Guarantee Bonds deposited at the time of enforcement thereof is less than the amount of the Business Guarantee Bonds required by the revised relevant Ordinance of Ministry of Land, Infrastructure and Transport concerned, the Travel Agent shall deposit the additional amount to cover the deficit.

3. The provisions of Paragraphs 2, 4, and 5 of the preceding Article shall be applicable mutatis mutandis to the case of depositing Business Guarantee Bonds in accordance with the preceding Paragraph. In this case "within fourteen (14) days from the date when the notification of the registration was made" in Paragraph 4 of the said Article shall read "in case of the revision of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as provided for in Paragraph 1 of succeeding Article, within three (3) months from the date of enforcement thereof (within one hundred (100) days, in case the day after three (3) months from the date of enforcement falls before one hundred (100) days after the following day of the last day of the previous business year of the enforcement)."

4. In case the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as provided for in Paragraph 1 is revised, and the amount of the Business Guarantee Bonds deposited at the time of enforcement thereof exceeds the amount of the Business Guarantee

Bonds required by such revision of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, a Travel Agent is entitled to a refund of the surplus amount of the Business Guarantee Bonds.

5. Items required for refunding Business Guarantee Bonds provided for in the preceding Paragraph shall be provided by the relevant Ordinance of the Ministry of Justice and relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

6. The Business Guarantee Bonds, in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, may be deposited in the form of national bond certificates, local bond certificates, and/or such other valuable securities (including transfer bonds, etc., provided for in Article 129, paragraph 1 of the Law on the Transfer of Bonds, Etc. (2001 Law No. 75)) designated by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

#### Note

The provisions of this paragraph amended by the 2004 Law No. 88 will come into force on the date designated by the relevant Cabinet Order by June 8, 2009. The amendment is not incorporated in the text; the provisions after the amendment are as follows:

<6> The Business Guarantee Bonds, in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, may be deposited in the form of national bond certificates, local bond certificates, and/or such other valuable securities (including transfer bonds provided for in Article 300, paragraph 1 of the Law on the Transfer of Bonds, Shares, Etc. (2001 Law No. 75) as designated by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

7. The Business Guarantee Bonds shall be deposited at the Deposit Office the nearest to the principal office of the Travel Agent.

## **Additional Deposit and Other Aspects of Business Guarantee Bonds**

Article 9.

1. A Travel Agent shall, after expiration of any business year, deposit an additional amount to cover the deficit, in case the deposited amount of Business Guarantee Bonds is less than the amount provided for in Paragraph 1 of the preceding Article.

2. The provisions of Paragraphs 2, 4 and 5 of Article 7 shall be applicable mutatis mutandis to the case of depositing Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph. In this case "within fourteen (14) days from the date when the notification of the registration was made" in Paragraph 4 of the said Article shall read "within one hundred (100) days after the following day of the last day of the previous business year."

3. A Travel Agent is entitled to a refund of the surplus amount of Business Guarantee Bonds, when the amount of the Business Guarantee Bonds deposited is in excess of the amount provided for in Paragraph 1 of the preceding Article after expiration of any business year.

4. The provisions of Paragraph 5 of the preceding Article shall be applicable mutatis mutandis to the case of a refund of Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph.

5. In case a Travel Agent receives a change of registration of Paragraph 1, Article 6-4, when the amount of the Business Guarantee Bonds deposited is less than the amount provided for in Paragraph 1 of the preceding Article, a Travel Agent shall deposit an additional amount to cover the deficit.

6. The provisions of Paragraphs 2 and 3, Article 7, shall be applicable mutatis mutandis to the case of depositing Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph.

7. In the case provided by Paragraph 5, when the amount of the Business Guarantee Bonds deposited exceeds the amount provided for in Paragraph 1 of the preceding Article, a Travel Agent shall be entitled to a refund of the surplus amount of the Business Guarantee Bonds.

8. As regards the refund of the Business Guarantee Bonds as provided for in the preceding Paragraph, a Travel Agent shall make publicly known that the person holding the right provided for in Paragraph 1, Article 17 in connection with the said Business Guarantee Bonds should claim it within a fixed period of not less than six (6) months. The refund of the Business Guarantee Bonds cannot be made unless a claim(s) is made within a said period, provided, however, that the foregoing shall not apply to cases when ten (10) years have passed since the Business Guarantee Bonds became refundable.

9. The matters required for refunding Business Guarantee Bonds such as the notification provided for in the preceding Paragraph shall be prescribed by the relevant Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Report of Transaction Amount**

Article 10.

A Travel Agent shall, within one hundred (100) days after the last day of every business year, report the amount of transactions with the Traveler in connection with its Travel Business during the said business year, to the Minister of Land, Infrastructure and Transport, in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Commencement of Business of Travel Sub-Agent**

Article 11.

A Travel Sub-Agent shall not commence its business until the Travel Agent he/she represents (hereinafter referred to as "Principal Travel Agent") has made the notification as provided for in the provisions of Paragraph 2, Article 7 (including the case of mutatis mutandis application in Paragraph 6, Article 9).

### **Assignment of Certified Travel Services Manager**

Article 11-2.

1. A Travel Agent or a Travel Sub-Agent (hereinafter referred to as "Travel Agent and

Others") shall, for each office, assign one or more Certified Travel Services Managers qualified in accordance with the provisions of Paragraph 5, and have them attend to the business of administering or supervising the matters in connection with the Travel Business at the office involved, to ensure definite travel conditions relating to that transaction, to secure provision of the services concerning travel ("Transportation, etc., Services" and "Transportation, etc.-Related Services", the same applies hereafter), and to comply with other matters stipulated by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport regarding the fairness in transactions and safety of and convenience for the Traveler.

2. Travel Agent and Others shall not enter into a contract with the Traveler for the Travel Business to be operated at its office, if all of the persons assigned as Certified Travel Services Manager for the office fall under any one of Items (1) through (5), Paragraph 1, Article 6, or when the positions of all of the persons assigned as the Certified Travel Services Manager for the office involved become vacant, until the Travel Agent and Others assign a new Certified Travel Services Manager.

3. The provisions of Paragraph 1 shall be applicable even to an office with only one person handling the Travel Business.

4. A Certified Travel Services Manager shall not act as the Certified Travel Services Manager for another office.

5. A Certified Travel Services Manager shall be a person who does not fall under any one of Items (1) through (5), Paragraph 1, Article 6, and shall be the person listed below:

(1) For an office handling Travel Business for travel only within Japan, the person who has passed the Examination for Certified General Travel Services Manager or the Examination for Certified Domestic Travel Services Manager in accordance with the provisions of the next Article;

(2) For an office other than the office cited in the preceding Item, a person who has passed the Examination for Certified General Travel Services Manager in accordance with the provisions of the following Article



6. For a Certified Travel Services Manager, the Travel Agent and Others shall endeavor to enhance the knowledge and the ability necessary for the duties of a Certified Travel Services Manager by such means as having him/her receive training conducted by the Association of Travel Agents specified in Paragraph 2, Article 22-2.

### **Examination for Certified Travel Services Manager**

Article 11-3.

1. The Examination for Certified Travel Services Manager shall be administered by the Minister of Land, Infrastructure and Transport on the knowledge and the ability necessary for the duties of a Certified Travel Services Manager.

2. The Examination for Certified Travel Services Manager shall be of two classes: An Examination for Certified General Travel Services Manager and an Examination for Certified Domestic Travel Services Manager.

3. The Minister of Land, Infrastructure and Transport may exempt a person from taking a part of the Examination for Certified Travel Services Manager, when such person has successfully completed the course of study and a training seminar conducted by the Association of Travel Agents provided by Paragraph 2, Article 22-2, on the knowledge and the ability specified in Paragraph 1, or has the qualification provided for in the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

4. When a person has been involved in unfair acts in connection with the Examination for Certified Travel Services Manager, the Minister of Land, Infrastructure and Transport may suspend such person from taking the Examination or nullify his/her success in the Examination. In this case, the Minister of Land, Infrastructure and Transport may suspend that person's qualification as a candidate for taking the Examination for a certain period of time.

5. In addition to the provisions in each of the preceding Paragraphs, all matters necessary for implementing the Examination for Certified Travel Services Manager, including subjects and procedures for the Examination shall be provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

## **Display of Fees**

Article 12.

1. A Travel Agent shall, prior to starting its business, set fees to be received from the Traveler for handling any Travel Business (excluding those for Organized Tour), and display the fees in its office where the Traveler can easily read them. The same shall apply in the case of a revision thereof.

2. The fees as provided for in the preceding Paragraph shall be set in conformity with the standards as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

3. A Travel Sub-Agent shall display the fees set by the Principal Travel Agent in accordance with the provision of Paragraph 1 in its office where the Traveler can easily read them.

## **General Terms and Conditions of Travel Contracts**

Article 12-2.

1. A Travel Agent shall, in connection with contracts for handling Travel Business with the Traveler, set General Terms and Conditions of Travel Contracts and submit it to the Minister of Land, Infrastructure and Transport for its authorization. In the case of the revision of such General Terms and Conditions, except for such minor revisions as those provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, the same shall be applicable.

2. When deciding whether to give authorization provided for in the preceding Paragraph, the Minister of Land, Infrastructure and Transport shall comply with the following criteria:

(1) There must be no danger of jeopardizing the proper interest of the Traveler;

(2) There must at least be clear descriptions of the fees for handling Travel Business, other matters relating to receipts, payments and refunds of money regarding transactions with the Traveler, and matters relating to the liabilities of the Travel Agent (for the Travel Agent operating Organized Tour, descriptions shall be clear and specific for Organized

Tour contract and non Organized Tour contract such as Arranged Tour contract.)

3. A Travel Agent and Others shall display the General Terms and Conditions of Travel Contracts (for a Travel Sub-Agent, the General Terms and Conditions of Travel Contracts prepared by its Principal Travel Agent. For a person entitled to conclude a Contract for Organized Tour on behalf of another Travel Agent in accordance with the provisions of Paragraph 1 or 2, Article 14-2, the General Terms and Conditions of Travel Contracts prepared by such another Travel Agent), where the Traveler can easily read them or the Traveler may have free access to them.

### **Standard Terms and Conditions of Travel Contracts**

Article 12-3.

In case the Minister of Land, Infrastructure and Transport formulates and notifies Standard Terms and Conditions of Travel Contracts (including its revised version), when a Travel Agent adopts the same General Terms and Conditions of Travel Contracts as the Standard Terms and Conditions, or revises its existing General Terms and Conditions of Travel Contracts to be the same as the Standard Terms and Conditions, such General Terms and Conditions of Travel Contracts shall be deemed to have been authorized in accordance with the provisions of Paragraph 1 of the preceding Article.

### **Explanation on Terms of Transaction**

Article 12-4.

1. A Travel Agent and Others shall, if it intends to enter into a contract with the Traveler regarding an Organized Tour, Arranged Tour, or other Travel Business, after confirming the particulars of the Travel Business the Traveler has requested, give an explanation to the Traveler on the terms of transaction in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. When making an explanation to the Traveler provided for in the preceding Paragraph, a Travel Agent and Others shall issue documents listing particulars of services the Traveler is entitled to receive, matters concerning consideration payable by the Traveler to the Travel Agent and Others, and the names of Certified Travel Services Manager and other matters as

provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, except in the case as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

3. Instead of issuing a document in accordance with the provisions of the preceding Paragraph, a Travel Agent and Others may, after obtaining approval from the Traveler, provide the matters to be mentioned in the said document by a method using an electronic information processing body or by any other method using information and telecommunications technology specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, in accordance with the provisions of the relevant Cabinet Order. In this case, the Travel Agent and Others concerned shall be deemed to have issued the said document.

### **Issuance of Travel Condition Document**

Article 12-5.

1. After entering into a contract with the Traveler regarding Organized Tour, Arranged Tour or other Travel Business, a Travel Agent and Others shall issue without delay a document specifying the particulars of the Travel Services to be rendered, matters concerning consideration payable by the Traveler to the Travel Agent and Others, the names of Certified Travel Services Manager and other matters as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, or a document specifying the services that the Traveler is entitled to receive during the travel concerned, except in cases as provided by the relevant Ordinance of Ministry of Land, Infrastructure and Transport.

2. Instead of the measure of issuing a document in accordance with the provisions of the preceding Paragraph, a Travel Agent and Others may, after obtaining approval from the Traveler, adopt a measure for notifying the Traveler of the matters specified by the Ordinance of the Ministry of Land, Infrastructure and Transport referred to in the said paragraph or of a measure for having the Traveler obtain the right to receive services in connection with the travel concerned specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, by a method using an electronic information processing body or by any other method using information and telecommunications technology specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, in accordance with the provisions of the relevant Cabinet Order. In this case, the Travel Agent and Others shall be

deemed to have issued the said document.

### **Presentation of an Identification Card in the Form of Certified Travel Services Manager**

Article 12-5-2.

A Certified Travel Services Manager shall, upon request by the Traveler, present an identification card in the form as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Carrying of Outside Office Staff Identification Card and Other Matters**

Article 12-6.

1. A Travel Agent and Others shall have all of its directors or employees, regardless of title whether they be canvasser, salesperson, commercial traveler or other, who make transactions in the Travel Business for the said Travel Agent and Others outside its office (hereinafter referred to as "Outside Office Staff"), carry the identification card in the form as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, or otherwise shall not have them engaged in the work of Outside Office Staff.

2. An Outside Office Staff shall, when conducting business, present the identification card stated in the preceding Paragraph.

3. An Outside Office Staff shall be deemed to have authority to perform, on behalf of the Travel Agent and Others for whom he/she works, any work related to Travel Business transactions with the Traveler except legal activities before a court. However, if the Traveler knows that Outside Office Staff does not have such authority, the same shall not apply.

### **Advertisement of Organized Tour**

Article 12-7.

A Travel Agent and Others shall, when advertising for Organized Tour participants, specify the name or the company name of the Travel Agent who organizes such tour, destination of travel, itineraries, particulars of Transportation, etc., Services the Traveler are entitled to receive, consideration payable by the Traveler to the Travel Agent and Others, the presence or

absence of anyone escorting Organized Tour members to conduct business necessary for taking measures in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as provided for in Paragraph 10, Article 12, and other matters provided for in the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

**Prohibition of Exaggerated Advertisement**

Article 12-8.

When making an advertisement for Travel Business, a Travel Agent and Others shall, in connection with the particulars of Travel Services and other matters advertised as provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, not make statements grossly different from the truth or make misleading statements that would lead the public to believe the services to be excessively better or more favorable than the actual services.

**Display of Certificate**

Article 12-9.

1. A Travel Agent and Others shall, depending on whether it is a Travel Agent or a Travel Sub-Agent, in accordance with the type of office provided for in each Item of Paragraph 5, Article 11-2, display a certificate where it can easily be seen by the public. The form of the certificate shall be set by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. No person other than a Travel Agent and Others shall display the certificate as provided for in the preceding Paragraph or any certificate similar to it.

**Measures for Smooth Operation of Organized Tour**

Article 12-10.

A Travel Agent shall, in the case of operating an Organized Tour, take measures to ensure that Transportation, etc., Services are rendered to the Traveler, make arrangements for replacement services when required by changes in the original travel plan, and carry out other measures in

accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport to ensure that the Organized Tour is operated smoothly.

### **Person Conducting Business of Managing Itinerary**

#### Article 12-11

1. Any manager in charge among those assigned by a Travel Agent to escort Organized Tour members to conduct business necessary for taking measures in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as provided for in the preceding Article (hereinafter referred to as "Business of Managing Itineraries") shall not fall under any one of Items (1) through (5), Paragraph 1, Article 6, and should have successfully completed a training seminar on the Business of Managing Itineraries (hereinafter referred to as "Training for Managing Itineraries") conducted by a person registered by the Minister of Land, Infrastructure and Transport in accordance with the provisions of the following Article through Articles 12-14 (hereinafter referred to as "Registered Training Organ"), and depending on the travel destinations, shall be well experienced in the practice of the Business of Managing Itineraries as provided for in the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. The matters required in connection with the registrations stated in the preceding Paragraph shall be established by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Registration of Registered Training Organ**

#### Article 12-12

The registration referred to in Paragraph 1 of the preceding Article shall be effected on application from a person who intends to conduct Training for Managing Itineraries (hereinafter referred to as "Training Business").

### **Disqualification Clause**

#### Article 12-13

Any person who falls under any of the following Items may not be registered as provided for

in Paragraph 1, Article 12-11:

- (1) A person for whom two years have not elapsed from the date on which, having violated this Law or an order based on this Law and been sentenced to imprisonment or fined, the execution of that punishment has been completed or suspended;
- (2) Any person for whom two years have not elapsed from the date on which his/her registration referred to in Paragraph 1, Article 12-11 was withdrawn in accordance with the provisions of Article 12-23;
- (3) Any legal entity any of whose officers or directors who conducts Training Business falls under either of the preceding two Items.

### **Registration Criteria, Etc.**

#### Article 12-14

1. The Minister of Land, Infrastructure and Transport, if the Training for Managing Itineraries conducted by the person who has applied for registration in accordance with the provisions of Article 12-12 is conducted by the lecturers mentioned respectively in the lower section of the Schedule in respect of the subjects mentioned in the upper section of the Schedule, shall effect such registration. In this case, the procedures necessary for registration shall be established by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. Registration shall be effected by entering the following matters in the Register of Registered Training Organs:

- (1) The date of registration and the registration number;
- (2) The name and address of the Registered Training Organ and, for a legal entity, the name of its representative;
- (3) The location of the office where the Registered Training Organ conducts Training Business;



(4) Other than those mentioned in the preceding three Items, the matters specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Renewal of Registration**

#### Article 12-15

1. The registration referred to in Paragraph 1, Article 12-11, if it is not renewed during each period of not less than three years specified by the relevant Cabinet Order, shall lose its effect by the expiration of that period.

2. The provisions of the preceding three Articles shall be applied mutatis mutandis with respect to the renewal of registration referred to in the preceding paragraph.

### **Obligation Relating to Conduct of Training Business**

#### Article 12-16

A Registered Training Organ shall conduct Training Business in a fair manner and based on methods that conform to the provisions of Paragraph 1, Article 12-14 and the criteria established by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Notification of Change in Registered Matters**

#### Article 12-17

A Registered Training Organ, if it intends to change any of the matters mentioned in Items (2) through (4), Paragraph 2, Article 12-14, shall notify the Minister of Land, Infrastructure, and Land to that effect at least two weeks prior to the date on which it intends to effect such change.

### **Training Business Regulations**

#### Article 12-18

1. A Registered Training Organ shall establish regulations for Training Business (hereinafter referred to as "Training Business Regulations") and notify the Minister of Land, Infrastructure and Transport thereof prior to the commencement of Training Business. The same applies

when such Organ intends to effect a change in them.

2. Training Business Regulations shall provide for the method of implementing Training for Managing Itineraries, fees for Training for Managing Itineraries, and other matters specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Suspension or Discontinuance of Business**

#### Article 12-19

A Registered Training Organ, if it intends to suspend or discontinue its Training Business in whole or in part, shall notify the Minister of Land, Infrastructure and Transport to that effect in advance in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Keeping and Inspection, Etc., of Financial Statements, Etc.**

#### Article 12-20

1. A Registered Training Organ shall, within three months after each business year, prepare an inventory of property, a balance sheet, and a profit-and-loss statement or a statement of receipts and disbursement, as well as an operating statement or a business report (including electromagnetic records (records prepared by an electronic method, a magnetic method, or any other method incapable of being perceived by human perception which are used for information processing by a computer; the same applies hereafter in this Article) in case such records are prepared in place thereof; referred to as "Financial Statements, Etc., in the following Paragraph and in Item 1, Article 34) and keep them for five years in the office of the Registered Training Organ.

2. Any person who intends to receive Training for Managing Itineraries and any other interested person may make any of the following requests at any time within the business hours of the Registered Training Organ, provided, however, that in order to make a request referred to in Item 2 or 4, the cost specified by the Registered Training Organ shall be paid:

(1) If the Financial Statements, Etc., are prepared on a document, a request for the inspection or copying of such document;

- (2) A request for the transcript or extract of the document referred to in the preceding Item;
- (3) If Financial Statements, Etc., are prepared in a electromagnetic record, a request for the inspection or copying of the matters recorded on such electromagnetic record that are indicated by the method specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport;
- (4) A request for the provision of the matters recorded on an electromagnetic record referred to in the preceding Item by an electromagnetic method specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport or a request for the issue of a document containing such matters.

### **Conformance Order**

#### Article 12-21

If he/she considers that a Registered Training Organ has come to fail to conform to the provisions of Paragraph 1, Article 12-14, the Minister of Land, Infrastructure and Transport may order that Registered Training Organ to take measures necessary for conformance to the provisions of that Paragraph.

### **Improvement Order**

#### Article 12-22

If he/she considers that a Registered Training Organ is in violation of the provisions of Article 12-16, the Minister of Land, Infrastructure and Land may order that Registered Training Organ to conduct Training Business in accordance with the provisions of that Article or to take measures necessary for the improvement of the method of the Training for Managing Itineraries or other methods of business.

### **Revocation of Registration, Etc.**

#### Article 12-23

If a Registered Training Organ falls under any of the following Items, the Minister of Land,

Infrastructure and Transport may revoke its registration or order the suspension of its Training Business in whole or in part specifying the period:

- (1) If it has come to fall under Item 1 or 3, Article 12-13;
- (2) If it has violated any of the provisions of Articles 12-17 through 12-19, Paragraph 1, Article 12-20 or the following Article;
- (3) If it has refused a request in accordance with the provisions of any of the Items of Paragraph 2, Article 12-20 without a justifiable reason;
- (4) If it has violated any order in accordance with the provisions of the preceding two Articles;
- (5) If it has obtained registration in accordance with Paragraph 1, Article 12-11 by a dishonest means.

### **Entry in Book**

#### Article 12-24

A Registered Training Organ shall keep a book in accordance with the provisions of the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, enter the matters relating to the Training Business specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, and retain it.

### **Requirement of Report**

#### Article 12-25

If he/she considers it necessary for ensuring the proper conduct of Training Business, the Minister of Land, Infrastructure and Transport may require of a Registered Training Organ a necessary report on the situation of the Training Business.

## **On-the-spot Inspection**

### Article 12-26

1. If he/she considers it necessary for ensuring the proper conduct of Training Business, the Minister of Land, Infrastructure and Transport may have personnel under him/her enter the office of a Registered Training Organ and inspect the situation of the Training Business or the equipment, books, documents or other objects.
2. The personnel who conduct an on-the-spot inspection in accordance with the provisions of the preceding Paragraph shall carry a certificate indicating their identity and, if required by any person concerned, produce it.
3. The authority of on-the-spot inspection in accordance with the provisions of Paragraph 1 shall not be construed as accorded for the purpose of criminal investigation.

## **Conduct of Training Business by Minister of Land, Infrastructure and Transportation.**

### Article 12-27

1. If no person has been registered in accordance with Paragraph 1, Article 12-11, if a notification has been made of the suspension or discontinuance of Training Business in whole or in part in accordance with the provisions of Article 12-19, if the registration referred to in Paragraph 1, Article 12-11 has been withdrawn or a Registered Training Organ has been ordered to suspend its Training Business in whole or in part in accordance with the provisions of Article 12-23, if it has become difficult for a Registered Training Organ to conduct its Training Business in whole or in part due to a natural disaster or any other reason, or if he/she considers it otherwise necessary, the Minister of Land, Infrastructure and Land may conduct Training Business in whole or in part by him/herself.
2. Matters for the transfer of Training Business or other necessary matters in the case of the Minister of Land, Infrastructure and Transport conducting Training Business in whole or in part by him/herself shall be established by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

## **Official Notice**

### Article 12-28

In the following cases, the Minister of Land, Infrastructure and Transport shall publish to that effect in the Official Gazette:

- (1) In case the registration referred to in Paragraph 1, Article 12-11 has been effected;
- (2) In case a notification has been made in accordance with the provisions of Article 12-17;
- (3) In case a notification has been made in accordance with the provisions of Article 12-19;
- (4) In case the registration referred to in Paragraph 1, Article 12-11 has been withdrawn or the suspension in whole or in part of Training Business has been ordered in accordance with the provisions of Article 12-23;
- (5) In case the Minister decides to conduct Training Business in whole or in part by him/herself in accordance with the provisions of the preceding Article or in case the Minister decides to discontinue in whole or in part the Training Business that he/she has been conducting by him/herself.

## **Prohibited Acts**

### Article 13.

1. A Travel Agent and Others shall not commit any of the acts listed in the following Items:

- (1) To receive any payment in excess of the fees displayed in accordance with the provisions of Item (1) or (3), Article 12;
- (2) To intentionally fail to tell the truth or lie to a person with whom a Travel Agent and Others intends to make a Travel Business transaction, in connection with any important matters of such transaction.

2. A Travel Agent and Others shall not commit any act to unreasonably delay fulfillment of

any obligations arising from a Travel Business transaction, to a person whom it has made such transaction with.

3. A Travel Agent and Others, its representatives, employees, or any other persons on its employment list shall not commit any of the following acts in connection with the Travel Business handled:

- (1) To render a service to allow the Traveler to act contrary to the law operative at the place of travel, or offer convenience to the Traveler for that purpose;
- (2) To render a service to allow the Traveler to receive a service that is contrary to the law operative at the place of travel, or offer convenience to the Traveler for that purpose;
- (3) To make advertisements of such services and conveniences listed in the preceding two Items or make those similar to the said advertisements.
- (4) Other than those mentioned in the preceding three Items, an act that has been specified by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as lacking in the protection of a Traveler or as ruining the credit of the Travel Agent Business.

### **Prohibition of Improper Use of Name and Other Matters**

Article 14.

1. A Travel Agent and Others shall not let another person use his/her name for Travel Agent Business or Travel Sub-Agent Business.

2. A Travel Agent and Others shall not let another person operate a Travel Agent or a Travel Sub-Agent in the same name by assigning his/her business or in any other way.

### **Representation of a Travel Agent Operating an Organized Tour**

Article 14-2

1. A Travel Agent, when entering into a contract with another Travel Agent to the effect that it will represent such other Travel Agent in concluding a Contract for Organized Tour (limited to

such tour as is operated by recruiting participating Travelers) that such other Travel Agent operates (hereinafter referred to as "Trustee Contract"), is, notwithstanding the provisions of Article 3, entitled to make a Contract for Organized Tour on behalf of the other party of the Trustee Contract (hereinafter referred to as "Trustor Travel Agent") without receiving the registration of a Travel Sub-Agent.

2. When a Travel Agent that has entered into a Trustee Contract with a Trustor Travel Agent in accordance with the provisions of the preceding Paragraph (hereinafter referred to as "Trustee Travel Agent") authorizes one of its Travel Sub-Agents, who has the Trustee Travel Agent as their Principal Travel Agent, to represent the Trustor Travel Agent in the Trustee Contract involved in entering into a contract for an Organized Tour, that Travel Sub-Agent (hereinafter referred to as "Trustee Travel Sub-Agent") specified in the Trustee Contract, it may make a Contract for Organized Tour on behalf of the Trustor Travel Agent.

3. A Trustor Travel Agent and a Trustee Travel Agent shall, in their Trustee Contract, designate the offices of the Trustee Travel Agent or the Trustee Travel Sub-Agent allowed to make a Contract for Organized Tour on behalf of the Trustor Travel Agent.

### **Travel Business, etc, of Travel Sub-Agent**

Article 14-3.

1. A Travel Sub-Agent shall not handle Travel Business on behalf of a Travel Agent other than its Principal Travel Agent, except for the case of making a Contract for Organized Tour as a representative in accordance with the provisions of Paragraph 2 of the preceding Article.

2. A Travel Sub-Agent, when making a transaction for Travel Business, shall expressly state to the other party of the transaction the name or the company name of its Principal Travel Agent, and that it is a Travel Sub-Agent.

3. A Travel Sub-Agent shall refrain from indication, advertisement, or any other act whereby its business may be mistaken for a Travel Agent Business or its Principal Travel Agent mistaken for another Principal Travel Agent.

4. The Minister of Land, Infrastructure and Transport may order a Travel Sub-Agent to take



measures for the purpose of not causing its business to be mistaken for a Travel Agent Business or its Principal Travel Agent to be mistaken for another Principal Travel Agent.

5. A Principal Travel Agent is responsible for compensating for the damage that the Travel Sub-Agent has caused to a Traveler in connection with Travel Business, unless the Principal Travel Agent has exercised due care in entrusting business to the Travel Sub-Agent, and has endeavored to prevent the occurrence of such damage as has been caused to a Traveler by the Travel Sub-Agent in connection with the Travel Business operated by the latter.

### **Discontinuance of Business and Other Matters**

#### Article 15.

1. A Travel Agent and Others shall, when having discontinued the business, having transferred all the business, or having caused all the business to be taken over by division, make a notification to that effect to the Minister of Land, Infrastructure and Transport within thirty (30) days from the day when such discontinuance, transfer or takeover occurred.

2. When a Travel Agent and Others is a legal entity and ceases to exist due to a merger, a former director of such entity shall make the notification to that effect to the Minister of Land, Infrastructure and Transport within thirty (30) days from the day when such merger by absorption occurred.

3. When a Travel Agent and Others has died, his/her successor shall give notification of his/her death to the Minister of Land, Infrastructure and Transport within thirty (30) days from the day when the successor knew about his/her death.

4. In the case of the death of a Travel Agent and Others, when his/her successor has applied for registration within sixty (60) days of his/her death, the successor may continue to operate a Travel Agent Business or a Travel Sub-Agent Business from the day of the death until the day the notification of the registration or the notification of refusal of the registration is received. Regarding business during that period, registration of a Travel Agent Business or a Travel Sub-Agent Business of the deceased shall be deemed to have passed to the successor on the day of the death, and the Business Guarantee Bonds deposited by the deceased shall be deemed to have been deposited by the successor.

## **Invalidation of Registration of Travel Sub-Agent**

Article 15-2.

The registration of Travel Sub-Agent shall be invalidated when any of the following Items applies:

- (1) When the contract which stipulates that a Travel Sub-Agent involved deals in Travel Business for the Principal Travel Agent has become invalidated;
- (2) When the registration of the Principal Travel Agent has been struck off in accordance with the provisions of Paragraph 1 or 2, Article 20.

## **Succession of Rights to the Business Guarantee Bonds and Other Matters**

Article 16.

1. In the case of revocation of registration in accordance with the provisions of Article 20 through the death of a Travel Agent, the end of the existence through a merger of a Travel Agent as a legal entity, the takeover of all the business by division, or the entire transfer of the business by a Travel Agent, when the successor, the legal entity continuing in existence after the merger, the legal entity incorporated through the merger, the legal entity having taken over all the business by division, or the assignee of the business was registered as a Travel Agent within six (6) months from the day of the revocation, and files with the Minister of Land, Infrastructure and Transport a notification to the effect that the rights to the Business Guarantee Bonds deposited by the person who was formerly a Travel Agent have been duly passed on, the Business Guarantee Bonds formerly deposited shall be deemed to be Business Guarantee Bonds deposited by the person who has newly become a Travel Agent in accordance with the provisions of Paragraph 1, Article 7.

2. In the case of filing the notification as provided for in the preceding Paragraph, a copy of the deposit certificate showing receipt of the deposit and a document certifying the fact that the rights to the Business Guarantee Bonds have been duly passed on shall be attached.

3. The notification as provided for in Paragraph 1 shall, for the application of the provisions of Paragraphs 3 through 5, Article 7, be deemed to be a notification made in accordance with

the provisions of Paragraph 2 of the same Article.

4. In the case as provided for in Paragraph 1, in connection with the said Business Guarantee Bonds, when a person is entitled to receive compensation for his/her claim as provided for in Paragraph 1 of the following Article regarding transactions with a person who was formerly a Travel Agent, or a Travel Sub-Agent that formerly had the Travel Agent as its Principal Travel Agent, in connection with the right to receive compensation of the same Paragraph, the said claim is deemed to have arisen through a transaction with the person who has newly become a Travel Agent.

### **Release of Business Guarantee Bonds**

Article 17.

1. Any person who has made a transaction with a Travel Agent or a Travel Sub-Agent that has a Travel Agent as its Principal Travel Agent for Travel Business, is entitled to receive compensation for his/her claim in connection with Business Guarantee Bonds deposited by such Travel Agent.

2. Matters necessary for receiving compensation for the claim as stated in the preceding Paragraph shall be provided by the relevant Ordinance of the Ministry of Justice and relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Deposit Concerning Deficit of Business Guarantee Bonds and Other Matters**

Article 18.

1. When the actual amount of Business Guarantee Bonds falls short of the amount as provided for in Paragraph 1, Article 8, as a result of compensation of a claim as provided for in Paragraph 1 of the preceding Article, a Travel Agent shall deposit the deficit.

2. In case a Travel Agent has deposited Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph, he/she shall make a notification of that effect to the Minister of Land, Infrastructure and Transport together with a copy of the deposit document stating receipt of the said deposit.

3. In the case provided for in Paragraph 1, when a Travel Agent fails to file the notification as provided for in the preceding Paragraph within fourteen (14) days from the date specified by the relevant Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, the registration of the Travel Agent involved shall be invalidated.

### **Change of Custody of Business Guarantee Bonds and Other Matters**

Article 18-2.

1. A Travel Agent shall, in the case of having deposited the Business Guarantee Bonds only in cash, when a transfer of its principal office causes the nearest Deposit Office to be changed, apply without delay to transfer the custody of the Business Guarantee Bonds at the Deposit Office to the Deposit Office which is the nearest to the new principal office. Commissions shall be paid in advance in accordance with the provisions of the relevant Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. A Travel Agent shall, in the case of having deposited the Business Guarantee Bonds in valuable securities or in a combination of cash and valuable securities as provided for in Paragraph 6, Article 8, when a transfer of its principal office causes the nearest Deposit Office to be changed, deposit without delay the same amount of Business Guarantee Bonds at the Deposit Office nearest to the new principal office. When such a deposit is made, the Travel Agent shall be entitled to a refund of the Business Guarantee Bonds deposited at the Deposit Office nearest to the former principal office, in accordance with the provisions of the relevant Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

3. The provisions of Paragraph 2, Article 7, shall be applicable mutatis mutandis to the cases of Paragraph 1 and the former half of the preceding Paragraph.

### **Orders Regarding Improvements to Travel Business**

Article 18-3.

When the Minister of Land, Infrastructure and Transport ascertains a fact being detrimental to

fair transactions, safe travel, or the Traveler's convenience on the part of the business operations of the Travel Agent and Others, he/she may order the Travel Agent and Others to take the following measures:

- (1) To dismiss its Certified Travel Services Manager(s);
- (2) To change fees received from the Traveler for handling Travel Business or the consideration to be received from the Traveler in connection with Organized Tour;
- (3) To revise the General Terms and Conditions of Travel Contracts;
- (4) To ensure that the measures set by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport as provided for in Article 12-10 in connection with Organized Tour are taken;
- (5) To enter into an insurance contract to secure the necessary compensation for the Traveler in case of damage;
- (6) In addition to those listed in the preceding Items, to take necessary measures to improve business operations.

### **Revocation of Registration and Other Matters**

Article 19.

1. When a Travel Agent and Others falls under any one of the cases listed in each of the following Items, the Minister of Land, Infrastructure and Transport may order him/her to suspend all or part of the business for a specified period not exceeding six (6) months, or revoke the registration:

- (1) When a Travel Agent and Others violates this Law, an order based on this Law, or a disposition based on these;
- (2) When a Travel Agent and Others falls within the purview of Items (2) or (4) through (6), Paragraph 1, Article 6, or are found to have been, at the time of registration, in the

purview of any of the Items of the same Paragraph;

(3) When a Travel Agent and Others has obtained the registration as provided for in Article 3, the registration of renewal of valid term as provided for in Paragraph 1, Article 6-3, or the registration of the change as provided for in Paragraph 1, Article 6-4, through unlawful actions.

2. The Minister of Land, Infrastructure and Transport may, when he/she ascertains that the Travel Agent and Others have not started a business within one (1) year after receiving the registration, or have not been operating the business continuously for one (1) year or more, revoke the registration.

3. The provisions of Paragraph 2, Article 6, shall be applicable mutatis mutandis to the cases as provided for in the preceding two Paragraphs.

### **Striking off Registration and Other Matters**

Article 20.

1. When the valid term of registration (in the case as provided for in Paragraph 3, Article 6-3, including the term considered valid in accordance with the provisions of the same Paragraph) has expired, or when the Minister of Land, Infrastructure and Transport has revoked the registration in accordance with the provisions of Paragraph 5, Article 7 (including the case of mutatis mutandis application of Paragraph 3, Article 8 or Paragraph 2, Article 9) or in accordance with the provisions of Paragraph 1 or 2 of the preceding Article, or when a notification has been made in accordance with the provisions of Article 15, or when a registration has been invalidated in accordance with the provisions of Article 15-2 or Paragraph 3, Article 18 (including the cases of mutatis mutandis application of Paragraph 4, Article 22-15 or Paragraph 2, Article 22-22), he/she shall strike off the registration of a Travel Agent or a Travel Sub-Agent.

2. When the Minister of Land, Infrastructure and Transport ascertains that a notification in accordance with the provisions of Paragraph 2 or 3, Article 15 needs to be made and when the notification in accordance with these provisions has not been made, he/she may strike off the registration of a Travel Agent or a Travel Sub-Agent even if the notification had not been

made.

3. When the registration has been struck off in accordance with the provisions of the two preceding Paragraphs, a former Travel Agent or its heir is entitled to obtain a refund of the Business Guarantee Bonds deposited.

4. The provisions of Paragraphs 8 and 9, Article 9 are applicable mutatis mutandis to the case of obtaining a refund of Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph.

### **Public Perusal of the Travel Agents Registry, Etc.**

Article 21.

The Minister of Land, Infrastructure and Transport shall open the Travel Agents Registry and Travel Sub-Agents Registry for public perusal.

### **Registration License Tax and Fees**

Article 22

1. Any person who applies for the registration in accordance with the provisions of paragraph 1, Article 4, the registration of renewal of the effective term in accordance with the provisions of paragraph 1, Article 6-3, or the registration of change in accordance with the provisions of paragraph 1, Article 6-4 (excluding the person who makes an application relating to any of the affairs which are to be handled by a prefectural governor in accordance with the provisions of Article 24) shall pay the registration license tax specified by the Registration License Tax Law (Law No. 35 of 1967) or a fee, the amount of which shall be set by the relevant Cabinet Order on an actual cost basis, in accordance with the following classification:

(1) The registration license tax should be paid in case of an application for the registration in accordance with the provisions of paragraph 1, Article 4 or an application for the registration of change in accordance with the provisions of paragraph 1, Article 6-4 (confined to an application made by a person actually registered by the prefectural governor in a register of Travel Agents provided for in paragraph 1, Article 5 at the time of the application for the registration of change concerned).;

(2) Fees should be paid for any application other than an application mentioned in the preceding item.

2. A person who intends to take the Examination for Certified General Travel Services Manager as provided for in Paragraph 1, Article 11-3 shall pay a fee, the amount of which shall be set by the Cabinet Order on an actual cost basis.

3. A person who intends to receive Training for Managing Itineraries conducted by the Minister of Land, Infrastructure and Transport in accordance with the provisions of Paragraph 1, Article 12-27 shall pay to the Government of Japan a fee, the amount of which shall be set by the Cabinet Order on an actual cost basis.

### **CHAPTER III. ASSOCIATION OF TRAVEL AGENTS**

#### **Designation**

Article 22-2.

1. In case an application is made by a person meeting the qualifications listed hereunder, and when the Minister of Land, Infrastructure and Transport has ascertained that the person has proper plans regarding all businesses listed in the Paragraphs of the following Article, and that he/she is capable of acting on the said business without fail, the Minister of Land, Infrastructure and Transport, in accordance with the provisions of this Chapter, may designate the person to act for the business as listed in any one of the Items of the same Article:

(1) The applicant must be a corporate juridical entity established in accordance with the provisions of Article 34 of Civil Law (Law No. 89, 1896);

(2) The applicant must be composed of members who are exclusively Travel Agent and Others;

(3) Rules for the qualifications of members in the applicant's Articles of Association must conform to the provisions of Article 22-4;



(4) The applicant has had his/her designation revoked in accordance with the provisions of Paragraph 1, Article 22-21, and at least five (5) years must have passed since such revocation;

(5) No directors of an applicant may fall under any of Paragraphs 1 through 3 or 5, Article 6.

2. When the Minister of Land, Infrastructure and Transport has made a designation as provided for in the preceding Paragraph, he/she shall publish in the Official Gazette, the name, address, and location of the office of the designated entity (hereinafter referred to as "Association of Travel Agents") and the date of commencement of Compensation Business designated by the Minister of Land, Infrastructure and Transport as provided for in Paragraph 1, Article 22-9.

3. The Association of Travel Agents shall, when it intends to change its name, address, or location of office, notify the changes in advance to the Minister of Land, Infrastructure and Transport.

4. When the notice as provided for in the preceding Paragraph is made, the Minister of Land, Infrastructure and Transport shall publish to that effect it in the Official Gazette.

## **Business**

Article 22-3.

The Association of Travel Agents shall perform the following business in accordance with the provisions of this Chapter properly and without fail:

(1) To settle complaints from the Traveler and persons rendering Travel Services regarding Travel Business handled by a Travel Agent and Others;

(2) To train and educate persons handling Travel Business;

(3) To provide compensation to the Traveler who has made transactions with a member who is a Travel Agent or a Travel Sub-Agent that has a Travel Agent as its Principal Travel Agent, in connection with claims arising from the said transactions, (hereinafter referred

to as "Compensation Business");

- (4) To give guidance to the Travel Agent and Others to ensure proper Travel Business operation;
- (5) To research, study and publicize to ensure the fairness of Travel Business transactions and a sound development of Travel Agent Business and Travel Sub-Agent Business.

### **Qualification and Entry of Members**

Article 22-4.

1. The Association of Travel Agents shall not place any limitations on the qualifications of members except for the classification of a Travel Agent and a Travel Sub-Agent.
2. When a Travel Agent and Others qualified as a member proposes to join, the Association of Travel Agents shall not refuse the proposal without reason, nor place more stringent conditions than those placed upon the entry of current members.

### **Report of Members' Entry and Withdrawal**

Article 22-5.

The Association of Travel Agents shall, when a member newly enters or loses his/her membership, report forthwith to that effect to the Minister of Land, Infrastructure and Transport.

### **Settlement of Complaints**

Article 22-6.

1. When any Traveler or person rendering Travel Services asks for settlement of a complaint regarding Travel Business handled by a Travel Agent and Others, the Association of Travel Agents shall accede to such request, give necessary advice, inquire into the circumstances of the complaint, notify the Travel Agent and Others involved of the details of the complaint and demand that it promptly process the complaint.

2. When deemed necessary for the settlement of the complaint as provided for in the preceding Paragraph, the Association of Travel Agents may demand a written or oral explanation, or presentation of data from the Travel Agent and Others involved.

3. When such request as described in the preceding Paragraph is made by the Association of Travel Agents, the member shall not refuse without a justifiable reason.

4. The Association of Travel Agents shall inform all of its members of such request as provided for in Paragraph 1, the circumstances of the complaint involved and the settlement results.

### **Training for Travel Business**

Article 22-7.

1. The Association of Travel Agents shall determine or schedule programs and conduct seminars on the knowledge and ability necessary for Certified Travel Services Managers, or on how to handle Travel Business for employees of a Travel Agent and Others.

2. The seminars as provided for in the preceding Paragraph shall be available to all types of employees of a Travel Agent and Others including full-time employees.

### **Depositing the Compensation Security Bonds**

Article 22-8.

1. The Association of Travel Agents shall, when receiving the payments of Due Portion of the Compensation Security Bonds in accordance with provisions of Paragraphs 1 through 3, Article 22-10, deposit the Compensation Security Bonds equivalent to the amount received within seven (7) days of receipt in accordance with the provisions of the relevant Ordinance of the Ministry of Justice and relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. The Compensation Security Bonds shall be deposited to the Deposit Office nearest to the address of the Association of Travel Agents.

3. The provisions of Paragraph 2, Article 7, and Paragraph 6, Article 8 shall be applicable mutatis mutandis to the case of making a deposit of the Compensation Security Bonds in accordance with the provisions of Paragraph 1.

### **Release of the Compensation Security Bonds**

Article 22-9.

1. A Traveler who has made a Travel Business transaction with Security Members (members who have paid their Due Portion of the Compensation Security Bonds as provided for in Paragraph 1 of the following Article, hereinafter the same) or a Travel Sub-Agent that has a Security Member as its Principal Travel Agent, after the date of commencement of the Compensation Business as designated by the Minister of Land, Infrastructure and Transport, is entitled to receive compensation from the Compensation Security Bonds deposited by the relevant Association of Travel Agents in connection with claims arising from the said transaction, within the limit as stipulated in the Compensation Security Rules for the said Security Members (when such Security Members are already subjected to claims as validated in the following Paragraph, such amount is to be subtracted, and when the said Security Members have paid the amount required by the provisions of Paragraph 2, Article 22-11, such amount is to be added).

2. When a person intends to receive compensation for his/her claim as provided for in the preceding Paragraph, validation of the claim from the relevant Association of Travel Agents shall be obtained.

3. When a claim as provided for in Paragraph 1 is compensated, the relevant Association of Travel Agents shall, within twenty-one (21) days of the exercising date, deposit the Compensation Security Bonds in an amount equivalent to the released amount.

4. Provisions of Paragraph 2, Article 7, and Paragraph 6, Article 8 shall be applicable mutatis mutandis to the cases of depositing the Compensation Security Bonds in accordance with the provisions of the preceding Paragraph.

5. The compensation limit as provided for in Paragraph 1 shall not be less than the amount of the Business Guarantee Bonds that a Security Member, as a Travel Agent, would have been

required to deposit, if the provisions of Paragraph 14, Article 22 were not applicable.

6. Matters necessary for receiving compensation for his/her claims as provided for in Paragraph 1 shall be provided by the relevant Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, and matters necessary for the validation as provided for in Paragraph 2 shall be provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

### **Payment of Due Portion of the Compensation Security Bonds and Other Matters**

Article 22-10.

1. A person listed in any one of the following Items shall pay his/her Association of Travel Agents his/her Due Portion of the Compensation Security Bonds in the amount set by the Compensation Security Rules to provide funds to the Compensation Security Bonds, by the date also provided for in the following Items, respectively:

(1) A Travel Agent who intends to join the Association of Travel Agents

-By the date of his/her entry;

(2) A Travel Agent who is a member of the Association of Travel Agents as of the date of designation in Paragraph 1, Article 22-2

-By one (1) month before the date of commencement of Compensation Business to be designated by the Minister of Land, Infrastructure and Transport as provided for in Paragraph 1 of the preceding Article.

2. A Security Member shall pay the increase of the Due Portion of the Compensation Security Bonds to the relevant Association of Travel Agents, when the amount of Due Portion of the Compensation Security Bonds increases after the end of each business year, within one-hundred (100) days from the day subsequent to the last day of such business year, and when the amount of Due Portion of the Compensation Security Bonds increases when a change of registration as provided for in Paragraph 1, Article 6-4 is obtained, within fourteen (14) days from the day the registration was changed.

3. When the amount of Due Portion of the Compensation Security Bonds increases due to a

revision of the Compensation Security Rules, a Security Member shall pay the increase to the relevant Association of Travel Agents by the date set by the Compensation Security Rules.

4. A member shall lose his/her membership to the relevant Association of Travel Agents when he/she fails to pay the amount of Due Portion of the Compensation Security Bonds as provided for in Item (2), Paragraph 1 or in Paragraph 2 by the dates as provided for therein.

**Supplement for Release and Other Matters**

Article 22-11.

1. When the Compensation Security Bonds are released in accordance with the provisions of Paragraph 1, Article 22-9, the Association of Travel Agents shall notify a Security Member or a former Security Member related to that release that an amount equivalent to the Release shall be paid as a Supplement for Release to the Association of Travel Agents.

2. When receiving a notification as provided for in the preceding Paragraph, a Security Member or a former Security Member shall pay the amount specified in the notification as a Supplement for Release to the relevant Association of Travel Agents within seven (7) days from the date the notification was received.

3. A Security Member shall lose his/her membership to the relevant Association of Travel Agents when he/she fails to pay the amount as specified in the notification as a Supplement for Release as provided for in Paragraph 1 by the date as provided for in the preceding Paragraph.

**Refund of the Compensation Security Bonds and Other Matters**

Article 22-12.

1. The Association of Travel Agents shall be entitled, when a Security Member loses his/her membership, to a refund of the Compensation Security Bonds in the amount equivalent to the Due Portion of the Compensation Security Bonds formerly paid by the person who was a Security Member in accordance with the provisions of Article 22-10 after the end of each business year. When a Security Member has obtained the change registration provided for in Paragraph 1, Article 6-4, and accordingly his/her Due Portion of the Compensation Security

Bonds as provided for in Article 22-10 has decreased, the Association of Travel Agents shall be entitled to a refund of the Compensation Security Bonds in the amount equivalent to such decrease.

2. When the amount of Due Portion of the Compensation Security Bonds is decreased due to revision of the Compensation Security Rules, the Association of Travel Agents shall be entitled to a refund of the Compensation Security Bonds in the amount equivalent to the total decrease for all of its Security Members.

3. When it receives a refund of the Compensation Security Bonds in accordance with the provisions of the preceding two Paragraphs, the Association of Travel Agents shall return the Due Portion of the Compensation Security Bonds in the amount equivalent to such refund, to a former Security Member or a Security Member concerned.

4. In the case of the preceding Paragraph, the Due Portion of the Compensation Security Bonds shall be returned at the following time:

- When the Security Member loses his/her membership, after the lapse of the period as provided for in the following Paragraph;
- When the relevant Association of Travel Agents has a claim against a former Security Member or a Security Member concerned, after compensation for the claim;
- When there is a claim in connection with a former Security Member or the Security Member that is validated by the relevant Association of Travel Agents in accordance with the provisions of Paragraph 2, Article 22-9, after compensation for the claim for the Supplement for Release as provided for in Paragraph 1 of the preceding Article which will arise from the validated claim.

5. When a Security Member loses his/her membership, the Association of Travel Agents shall publish a statement for the persons who have the rights as provided for in Paragraph 1, Article 22-9, in connection with claims arising from Travel Business transactions with the said person who was a Security Member, or a Travel Sub-Agent which has a Security Member as its Principal Travel Agent when it is a Security Member, to the effect that such claims must be

reported for validation as provided for in Paragraph 2 of the said Article within the fixed period of at least six (6) months.

6. The Association of Travel Agents shall not give the validation as provided for in Paragraph 2, Article 22-9, on any claim as provided for in the preceding Paragraph that has not been reported during the period as provided for in the preceding Paragraph.

7. The provisions of Paragraph 9, Article 9 shall be applicable mutatis mutandis to the cases of refunds of the Compensation Security Bonds in accordance with the provisions of Paragraphs 1 and 2.

### **Reserve for the Compensation Security Bonds**

Article 22-13.

1. In the case of depositing the Compensation Security Bonds in accordance with the provisions of Paragraph 3, Article 22-9, the Association of Travel Agents shall put up a Reserve for the Compensation Security Bonds to allot funds for depositing the Compensation Security Bonds in the case of the absence of a payment of the Supplement for Release.

2. The Association of Travel Agents shall put interest or dividends derived from the Compensation Security Bonds (including the valuable securities deposited in accordance with the provisions of Paragraph 6, Article 8 which is applicable mutatis mutandis to the case of Paragraph 3, Article 22-8) in the Reserve for the Compensation Security Bonds.

3. In the case of depositing the Compensation Security Bonds in accordance with the provisions of Paragraph 3, Article 22-9, even if the Reserve for the Compensation Security Bonds as provided for in Paragraph 1 has been allotted and the Bonds are still insufficient, the Association of Travel Agents shall cover the deficit by notifying its Security Members that the extra Due Portion of the Compensation Security Bonds is due as set out in the Compensation Security Rules as payable to the relevant Association of Travel Agents.

4. Each Security Member who has received the notification as provided for in the preceding Paragraph shall pay the relevant Association of Travel Agents the extra Due Portion of the Compensation Security Bonds within one (1) month from the date of receipt of such



notification.

5. The provisions of Paragraph 3, Article 22-11, shall be applicable mutatis mutandis to the case of the preceding Paragraph.

6. When the Association of Travel Agents has received a payment of Supplement for Release in connection with the deposit of the Compensation Security Bonds in accordance with the provisions of Paragraph 2, Article 22-11, after having allotted a Reserve for the Compensation Security Bonds in accordance with the provisions of Paragraph 3, Article 22-9, it shall put the Supplement for Release in the Reserve for the Compensation Security Bonds.

7. When the Reserve for the Compensation Security Bonds exceeds the amount set by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, the Association of Travel Agents may withdraw the surplus amount of the Reserve for the Compensation Security Bonds, with the approval of the Minister of Land, Infrastructure and Transport to allot the sum for costs necessary for carrying out the business listed in Items of Article 22-3.

### **Exemption of Depositing Business Guarantee Bonds**

Article 22-14.

A Security Member need not deposit Business Guarantee Bonds as required by this Law on or after the commencement date of the Compensation Business designated by the Minister of Land, Infrastructure and Transport as provided for in Paragraph 1, Article 22-9.

### **Refunding Business Guarantee Bonds to New Security Members and Other Matters**

Article 22-15.

1. A Travel Agent is entitled, when becoming a Security Member of the Association of Travel Agents, to a refund of Business Guarantee Bonds.

2. The provisions of Paragraphs 8 and 9, Article 9, shall be applicable mutatis mutandis to the case of obtaining a refund of the Business Guarantee Bonds in accordance with the preceding Paragraph.

3. A Travel Agent shall, upon termination of its membership as the Security Member, deposit Business Guarantee Bonds immediately.

4. The provisions of Paragraphs 2 and 3, Article 18, shall be applicable mutatis mutandis to the case of depositing Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph. In this case, "the preceding Paragraph" in Paragraph 2 of that Article and "Paragraph 1" in Paragraph 3 of that Article, shall read "Paragraph 3, Article 22-15", respectively. "Within fourteen (14) days from the date specified by the relevant Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport" shall read "within seven (7) days from the day when the membership was terminated as the Security Member."

### **Matters to be Included in General Terms and Conditions of Travel Contracts of Security Members**

Article 22-16.

The Security Member shall expressly state the following in their General Terms and Conditions of Travel Contracts:

- (1) The name and address of the Association of Travel Agents to which they belong;
- (2) The fact that any person, who has made a transaction with a Security Member or a Travel Sub-Agent who has a Security Member involved as its Principal Travel Agent for Travel Business, is entitled to receive compensation for any claim that might arise from any of such transactions, from the Compensation Security Bonds deposited by the Association of Travel Agents to which the Security Member involved belongs;
- (3) The compensation limit from the Compensation Security Bonds for which the Security Member involved is covered;
- (4) The fact that no Business Guarantee Bonds have been deposited.

## **Approval of Compensation Security Rules**

Article 22-17.

1. The Association of Travel Agents shall establish Compensation Security Rules for the following matters and obtain approval from the Minister of Land, Infrastructure and Transport. The same shall apply to the revisions thereof:

- (1) Matters concerning the amount and methods of payment of Due Portion of the Compensation Security Bonds;
- (2) Matters concerning compensation limit and validation of claims;
- (3) Matters concerning payment methods for the Supplement for Release;
- (4) Matters concerning refund of the Compensation Security Bonds and management of refund money;
- (5) Matters concerning returns of Due Portion of the Compensation Security Bonds;
- (6) Matters concerning methods of managing Reserve for the Compensation Security Bonds, and amounts and payment methods for the extra Due Portion of the Compensation Security Bonds;
- (7) In addition to the matters provided for in each of the preceding Items, matters necessary for making payments for Compensation Business.

2. When the Minister of Land, Infrastructure and Transport deems that the Compensation Security Rules once approved in accordance with the provisions of the preceding Paragraph have become inappropriate for the proper and sound handling of Compensation Business, he/she may order the Association of Travel Agents to revise them.

## **Business Plans and Other Matters**

Article 22-18.

1. Before the beginning of each business year (during the year in which the day designated in Paragraph 1, Article 22-2 belongs, as soon as possible after the designation), the Association of Travel Agents shall prepare a business plan and financial budget and submit them to the Minister of Land, Infrastructure and Transport for his/her approval and the same shall apply to the revisions thereof.

2. The Association of Travel Agents shall prepare a business report, a balance sheet, a statement of account, and an asset list within three (3) months after the end of each business year, and submit them to the Minister of Land, Infrastructure and Transport.

## **Election and Dismissal of Directors**

Article 22-19.

1. Election and dismissal of directors of the Association of Travel Agents shall not come into force without the approval of the Minister of Land, Infrastructure and Transport.

2. When a director of the Association of Travel Agents has acted in contravention of this Law, or ordinances or dispositions based on this Law, or the Compensation Security Rules approved in accordance with the provisions of Paragraph 1, Article 22-17, or when remaining in his/her position would render the Association of Travel Agents unfit to meet the conditions listed in Item (5), Paragraph 1, Article 22-2, the Minister of Land, Infrastructure and Transport may order the Association of Travel Agents to dismiss the said director.

## **Supervision and Direction**

Article 22-20.

The Minister of Land, Infrastructure and Transport may, when he/she deems it necessary in order to fulfill the provisions of this Chapter, give the Association of Travel Agents the orders which are required to effect his/her supervision.

## **Revocation of Designation**

Article 22-21.

1. When the Association of Travel Agents falls under any one of the following Items, the Minister of Land, Infrastructure and Transport may revoke the designation as provided for in Paragraph 1, Article 22-2:

- (1) When it is deemed incompetent, failing to act on the business listed in each Item of Article 22-3 properly and without fail;
- (2) When it has violated this Law, or relevant ordinance based on this Law, or the Compensation Security Rules approved in accordance with the provisions of Paragraph 1, Article 22-17;
- (3) When it has violated dispositions made in accordance with the provisions of Paragraph 2, Article 22-17, Paragraph 2, Article 22-19 or the preceding Article.

2. When the Minister of Land, Infrastructure and Transport has revoked a designation provided for in Paragraph 1, Article 22-2, he/she shall publish a notification to that effect in the Official Gazette.

## **Depositing Business Guarantee Bonds in the Case of Revocation of Designation and Other Matters**

Article 22-22.

1. In case the Association of Travel Agents has been dissolved or its designation has been revoked as in Paragraph 1, Article 22-2, a Travel Agent who was a Security Member of the said Association of Travel Agents shall deposit Business Guarantee Bonds.

2. The provisions of Paragraphs 2 and 3, Article 18, shall be applicable mutatis mutandis to the case of depositing Business Guarantee Bonds in accordance with the provisions of the preceding Paragraph. In this case, "the preceding Paragraph" in Paragraph 2 of that Article and "Paragraph 1" in Paragraph 3 of the same Article, shall read "Paragraph 1, Article 22-22", respectively, whereas "within fourteen (14) days from the date as provided by the relevant

Ordinance of the Ministry of Justice and the relevant Ordinance of the Ministry of Land, Infrastructure and Transport" shall read "within twenty-one (21) days from the day when the designation of the Association of Travel Agents is revoked as provided for in Paragraph 1, Article 22-2 or has been dissolved."

### **Compensation Business in the Case of Revocation of Designation and Other Matters**

Article 22-23.

1. The Minister of Land, Infrastructure and Transport shall notify the Association of Travel Agents whose designation in accordance with the provisions of Paragraph 1, Article 22-2, has been revoked or which has been dissolved (hereinafter referred to as a "Former Association") of matters concerning persons among Travel Agents who were its Security Members and whose registration was struck off in accordance with the provisions of Paragraph 1, Article 20, since the registration had been invalidated in accordance with the provisions of Paragraph 3, Article 18, in mutatis mutandis application of Paragraph 2 of the preceding Article.

2. A Former Association is entitled to a refund of its deposited Compensation Security Bonds upon receipt of the above notification. This does not apply to the total amount of compensation limit for persons who were Security Members named in the said notification, nor to the Compensation Security Bonds regarding other persons who were Security Members, in the amount equivalent to the total amount of claims validated as in Paragraph 2, Article 22-9 of which the claims in Paragraph 1 of the same Article have not yet been executed.

3. When receiving the notification as provided for in Paragraph 1, concerning claims arising from transactions for the Travel Business with persons who were Security Members in the said notification or a Travel Sub-Agent who had a Security Member involved as its Principal Travel Agent during the period the persons who were Security Members held their membership, a Former Association shall make publicly known that persons holding the right provided for in Paragraph 1, Article 22-9 should claim it for validation as provided for in Paragraph 2 of the same Article within a period of not less than six (6) months.

4. A Former Association shall, after notification in accordance with the provisions of the preceding Paragraph, administer the business of validation in accordance with the provisions of Paragraph 2, Article 22-9, regarding claims reported as in the preceding Paragraph within

the period designated in the public notification.

5. A Former Association is, after completion of the business of validation of claims as provided for in Paragraph 3, which has been reported within the period designated therein, entitled to a refund of the Compensation Security Bonds deposited as of that time. However, the total amount of the claims, which has been validated as provided for in Paragraph 2, Article 22-9 but not yet executed in accordance with Paragraph 1 of the same Article, should be deducted from the amount of the refund.

6. A Former Association may obtain a refund of the Compensation Security Bonds still deposited even after the lapse of six (6) months period designated in the public notification as stated in Paragraph 3.

7. The provisions of Paragraphs 8 and 9, Article 9 shall be applicable mutatis mutandis to the case of giving notification as in Paragraph 3, and the provisions of Paragraph 9 of the same Article shall be applicable mutatis mutandis to a case of obtaining a refund in accordance with the provisions of Paragraph 2 and the two preceding Paragraphs.

### **Distribution of the Compensation Security Bonds and Others in the Case of Revocation of Designation**

Article 22-24.

A Former Association shall distribute, in accordance with the provisions of the relevant Ordinance and depending on the amounts of Due Portion of the Compensation Security Bonds paid by each person, to persons who were Security Members as of the day of the revocation of the designation of the Association of Travel Agents or the day of its dissolution (hereinafter referred to as the "Day of Revocation and Other Effects"), the Compensation Security Bonds refunded in accordance with the provisions of Paragraphs 2, 5, and 6 of the preceding Article, the Supplement for Release paid after the Day of Revocation and Other Effects in accordance with the provisions of Paragraph 2, Article 22-11, and the Reserve for the Compensation Security Bonds likely to be paid after the Day of Revocation and Other Effects (including extra Due Portion of the Compensation Security Bonds paid after the Day of Revocation and Other Effects in accordance with the provisions of Paragraph 4, Article 22-13).

## **CHAPTER IV. MISCELLANEOUS PROVISIONS**

### **Hearings**

Article 23.

1. In case the Minister of Land, Infrastructure and Transport intends to make dispositions in accordance with the provisions of Paragraph 1, Article 6 (including the case of mutatis mutandis application in Paragraph 2, Article 6-3 or Paragraph 2, Article 6-4, the same as in Paragraph 3), he/she shall hold an open hearing after asking the Travel Agent and Others involved or its representatives to be present by giving advance notice, so that it may have an opportunity to vindicate itself and to produce evidence.

2. In the case of the preceding Paragraph, the Minister of Land, Infrastructure and Transport shall notify the Travel Agent and Others involved of the alleged reason for the disposition, the date and the place of the hearing at least one week prior to that date, and shall make its date and place known to the public.

3. In the case of Paragraph 1, when such a notification as provided for in the preceding Paragraph cannot be delivered because the whereabouts of the Travel Agent and Others involved remain unknown and its whereabouts still remain unknown even thirty (30) days after such an official notice has been issued, or when the Travel Agent and Others involved or his/her representative has not presented himself at the hearing without a sufficient reason, the Minister of Land, Infrastructure and Transport may make the necessary dispositions, notwithstanding the provisions of Paragraph 1, without holding such a public hearing, in accordance with the provisions of Paragraph 1, Article 6.

### **Special Cases of Hearings**

Article 23-2.

1. The Minister of Land, Infrastructure and Transport shall hold a hearing, when he/she intends to make dispositions in accordance with the provisions of Article 18-3 (excluding Item (1)) or to order the suspension of business in accordance with the provisions of Paragraph 1, Article 19, notwithstanding the classification of procedures as provided for in Paragraph 1, Article 13 of the Law of Administrative Procedures (Law No. 88, 1993).



2. When holding a hearing concerning the dispositions as provided for in the provisions of Article 18-3 or Paragraph 1 or 2, Article 19, the Minister of Land, Infrastructure and Transport shall notify in accordance with Paragraph 1, Article 15 of the Law of Administrative Procedures at least one (1) week prior to the date of the hearing, and shall make its date and place known to the public.

3. In case notification of the preceding Paragraph is made provided for in Paragraph 3, Article 15 of the Law of Administrative Procedures, the period until the hearing shall not be less than two (2) weeks, in accordance with Paragraph 1 of the same Article.

4. The examination to be made on the day of the hearing as provided for in Paragraph 2 shall be held in public.

### **Interim Measures**

Article 23-3.

In case orders are to be established, altered or abolished in accordance with the provisions of this Law, necessary interim measures (including those which are related to penal provisions) may be taken according to the same orders within the range of rational judgment following establishment, alteration or abolition of the orders.

### **Affairs dealt with by prefectures**

Article 24

Part of the affairs under the authority of the Minister for Land, Infrastructure and Transport provided for in this Law may be dealt with by the relevant Prefectural Governor in accordance with the provisions of the relevant Cabinet Order.

### **Notification by Organizations**

Article 25.

For the purpose of maintaining the fairness of transactions involving Travel Business and the sound development of a Travel Agent or a Travel Sub-Agent, any organization consisting of Travel Agent and Others or those who are engaged in the contracts for Travel Business, shall

notify the Minister of Land, Infrastructure and Transport on the matters listed in the relevant Ordinance of the Ministry of Land, Infrastructure and Transport, within thirty (30) days from the day it was established.

### **Vicarious Administration of Examination**

Article 25-2.

1. The Minister of Land, Infrastructure and Transport may, when so applied, cause the Association of Travel Agents to administer Examination business for Certified Travel Services Manager in accordance with the provisions of Article 11-3 (hereinafter referred to as the "Examination Business").

2. When the Association of Travel Agents intends to administer Examination Business in accordance with the preceding Paragraph, it shall set the rules concerning the performance of Examination Business (hereinafter referred to as "Examination Business Rule"), and obtain authorization for them from the Minister of Land, Infrastructure and Transport. The same shall apply to the revisions thereof.

3. Matters to be stipulated in the Examination Business Rule of the preceding Paragraph shall be provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

4. When the Association of Travel Agents administers Examination Business, it shall assign persons who meet the requirements as provided for in the relevant Ordinance of the Ministry of Land, Infrastructure and Transport (hereinafter referred to as the "Examination Committee Member") for handling the evaluation of the necessary knowledge and capabilities as Certified Travel Services Managers.

5. When the Association of Travel Agents has selected or dismissed an Examination Committee Member, it shall notify the Minister of Land, Infrastructure and Transport to that effect without delay.

6. When directors or Examination Committee Members of the Association of Travel Agents violate the Examination Business Rule authorized in accordance with the provisions of Article 2 (in the case of Examination Committee Member, this Law or ordinances or dispositions

based on this Law are included) or take extremely inappropriate actions concerning Examination Business, the Minister of Land, Infrastructure and Transport may order the Association of Travel Agents to dismiss the said directors or Examination Committee Members.

7. Directors or staff members (including Examination Committee Member. Same as following Paragraphs) of the Association of Travel Agents who administer Examination Business, or persons who formerly had such a status, shall not divulge secrets that have come to their knowledge in connection with the Examination Business.

8. Directors and staff members of the Association of Travel Agents as provided for in the preceding Paragraph shall, so far as application of the Criminal Law (Law No. 45, 1907) or other penal provisions are concerned, be deemed staff members engaged in public duty in accordance with laws, ordinances and regulations.

9. When the Association of Travel Agents administers Examination Business, the examination fees in accordance with the provisions of Article 22 shall be paid to the Association of Travel Agents. In this case, the examination fees paid shall be the revenue of the Association of Travel Agents.

10. The provisions of Paragraph 2, Article 22-17, shall be applicable mutatis mutandis to the Examination Business Rule, and the provisions of Article 22-20 shall be applicable mutatis mutandis to administering Examination Business by the Association of Travel Agents.

### **Compulsory Report and Inspection by Entry**

Article 26.

1. The Minister of Land, Infrastructure and Transport may, within the limits necessary for attaining the purposes of Article 1, order any Travel Agent and Others, any person registered in accordance with the provisions of Paragraph 1, Article 12-11, any Association of Travel Agents, any other organization as provided for in Article 25, to submit reports on their business in accordance with procedures set by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

2. The Minister of Land, Infrastructure and Transport may, within the limits necessary for attaining the purposes of Article 1, let his/her officials enter the sales office or the office of any Travel Agent and Others, or the offices of any person registered in accordance with the provisions of Paragraph 1, Article 12-11, or any offices of Association of Travel Agents to inspect books, documents and other objects, or to question the persons concerned.

3. Any official who enters and inspects in accordance with the provisions of the preceding Paragraph shall bear a document verifying his/her status and present it on request from the persons concerned.

4. The authority for entry and inspection in accordance with the provisions of Paragraph 2 shall not be construed as being for admittance for a criminal investigation.

#### **Mandate to the Relevant Ordinance of Ministry of Land, Infrastructure and Transport**

Article 27.

Aside from the provisions in this Law, matters necessary for implementing this Law shall be provided by the relevant Ordinance of the Ministry of Land, Infrastructure and Transport.

#### **CHAPTER V. PENAL PROVISIONS**

Article 28

Any person who falls under any of the following Items shall be liable to imprisonment with hard labor not exceeding one year or to a fine not exceeding 300,000 yen:

(1) An officer or an employee of a Registered Training Organ who has violated the order to suspend Training Business in accordance with the provisions of Article 12-23;

(2) A person who has divulged a secret that has come to his/her knowledge in connection with his/her duties in violation of the provisions of Paragraph 7, Article 25-2.

Article 29.

Any person who falls under any one of the following Items shall be liable to a fine not

exceeding 1,000,000 yen:

- (1) A person who has operated a Travel Agent Business in violation of the provisions of Article 3;
- (2) A person who has obtained, by unlawful means, the registration in accordance with the provisions of Article 3, the registration of renewal of valid term in accordance with the provisions of Paragraph 1, Article 6-3, or the change of registration in accordance with the provisions of Paragraph 1, Article 6-4;
- (3) A person who has changed the scope of business as provided for in Item (4), Paragraph 1, Article 4 in violation of the provisions of Paragraph 1, Article 6-4;
- (4) A person who has commenced business in violation of the provisions of Paragraph 3, Article 7 (including cases of mutatis mutandis application of Paragraph 6, Article 9) or Article 11;
- (5) A person who, in violation of the provisions of Article 14, has caused any other person to use his/her name or to operate his/her Travel Agent Business or Travel Sub-Agent Business;
- (6) A person who has handled a Travel Business on behalf of any Travel Agents other than his/her Principal Travel Agent in violation of the provisions of Paragraph 1, Article 14-3.

Article 30.

Any person who has violated orders to suspend the business as provided for in Paragraph 1, Article 19, shall be liable to a fine not exceeding 500,000 yen.

Article 31

Any person who falls under any of the following Items shall be liable to a fine not exceeding 300,000 yen:

- (1) A person who has failed to make a notification, or has made a false notification in violation of the provisions of Paragraph 3, Article 6-4;

- (2) A person who has failed to make a report or reported falsely, in violation of the provisions of Article 10;
- (3) A person who has not assigned a Certified Travel Services Manager in violation of the provisions of Paragraph 1, Article 11-2;
- (4) A person who has entered into a contract for Travel Business with the Traveler in violation of the provisions of Paragraph 2, Article 11-2;
- (5) A person who has not displayed the fees in violation of the provisions of Paragraph 1 or 3, Article 12;
- (6) A person who has acted on the matters without authorization to be required in accordance with the provisions of Paragraph 1, Article 12-2;
- (7) A person who has not displayed General Terms and Conditions of Travel Contracts or has not been equipped with it, in violation of the provisions of Paragraph 3, Article 12-2;
- (8) A person who has not issued the document provided for in Article 12-5 or has issued a document with a false entry or indication in violation of that Article;
- (9) A person who has caused any other person to engage in the work of Outside Office Staff in violation of the provisions of Paragraph 1, Article 12-6;
- (10) A person who has advertised in violation of the provisions of Article 12-7;
- (11) A person who has advertised in violation of the provisions of Article 12-8;
- (12) A person who has failed to display a certificate or has displayed a certificate other than that which should have been displayed at his/her office in violation of Paragraph 1, Article 12-9;
- (13) A person who has displayed a certificate in violation of the provisions of Paragraph 2, Article 12-9;

- (14) A person who has committed any of the acts mentioned in Items of Paragraph 1, Article 13 in violation of the provisions of the same Paragraph;
- (15) A person who has made transactions without expressly stating items that should be expressly stated in violation of the provisions of Paragraph 2, Article 14-3;
- (16) A person who has violated any order given in accordance with the provisions of Article 18-3;
- (17) A person who has failed to submit a report or has made a false report, in violation of the provisions of Paragraph 1, Article 26;
- (18) A person who has refused, disturbed, or evaded an inspection or has failed to give a statement or has given a false statement in response to a question made or given in accordance with the provisions of Paragraph 2, Article 26.

#### Article 32

Any officer, director or an employee of a Registered Training Organ who has committed an offense falling under any of the following Items shall be liable to a fine not exceeding 300,000 yen:

- (1) If he/she has discontinued all of the Training Business without making a notification in accordance with the provisions of Article 12-19;
- (2) If he/she has failed to keep the book, failed to make entries in the book, or made a false entry in the book, or failed to retain the book, in violation of the provisions of Article 12-24;
- (3) If he/she, having been required to make a report in accordance with the provisions of Article 12-25, has failed to do so or made a false report;
- (4) If he/she has refused, disturbed, or evaded an inspection in accordance with the provisions of Paragraph 1, Article 12-26.

### Article 33

When a representative of a legal entity or an agent, a servant, any other employee of a legal entity or a natural person has committed any of the offenses as provided for in Article 29 through Article 31 in connection with the business of the legal entity or the natural person, not only the person having committed the offense shall be punished, but also the legal entity or the natural person shall be liable to the relevant fine in accordance with those Articles.

### Article 34

Any person who falls under any of the following Items shall be liable to a civil fine not exceeding 200,000 yen:

- (1) A person who has failed to keep Financial Statements, Etc., in violation of the provisions of Paragraph 1, Article 12-20, failed to enter in Financial Statements, Etc., matters that should have been entered in them or made a false entry in them, or refused a request in accordance with the provisions of Items of Paragraph 2 of the same Article without any justifiable reason;
- (2) A person who has failed to make a notification or made a false notification in violation of the provisions of Paragraphs 1 through 3, Article 15.



**Schedule (relating to Article 12-14)**

<u>Subjects</u>	<u>Lecturers</u>
<p>(1) Subjects concerning this Law and General Terms and Conditions of Travel Contracts</p>	<p>(1) A person who has an experience of engaging in Business of Managing Itineraries as manager in charge among those assigned by a Travel Agent as persons conducting Business of Managing Itineraries;</p> <p>(2) A person who has passed the Examination for Certified Travel Services Manager;</p> <p>(3) A person who has the knowledge and experience equal to or better than that of the persons mentioned in the preceding two Items.</p>
<p>(2) Subjects concerning Business of Managing Itineraries</p>	<p>(1) A person who has an experience of engaging in Business of Managing Itineraries five times or more as manager in charge among those assigned by a Travel Agent as persons conducting Business of Managing Itineraries;</p> <p>(2) A person having passed the Examination for Certified Travel Services Manager who has an experience of engaging in Travel Agent Business for five years or more;</p> <p>(3) A person who has the knowledge and experience equivalent to or better than that of the persons mentioned in the preceding two Items.</p>