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Act on Promoting Development of Areas for Specified Integrated Resort Facilities (Act No. 115 of December 26, 2016)

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Chapter I. General Provisions

(Purpose)

Article 1. The purpose of this Act is to set forth basic principles and fundamental policies and other basic matters concerning the promotion of the development of area for specified integrated resort facilities and to implement the same in a comprehensive and unified manner by establishing headquarters for promoting the development of areas for specified integrated resort facilities in light of the expectation that the promotion of the development of the areas for specified integrated resort facilities will contribute not only to the promotion of the tourism industry and local economies but also to the improvement of the national finances.

(Definition)

Article 2.

- (1) The term “specified integrated resort facilities” as used in this Act refers to the integration of facilities consisting of casino facilities (limited to those developed and operated within the areas for specified integrated resort facilities by private companies with permission of the Casino Administration Committee under Article 11 hereof pursuant to a law to be legislated separately herefrom; hereinafter the same) and convention halls, recreation facilities, exhibition facilities, hotels and

other facilities considered to contribute to the promotion of tourist industry and are developed and operated by private companies.

- (2) The term “area for specified integrated resort facilities” as used in this Act refers to an area licensed by the national government in response to an application made by the relevant local government pursuant to a law to be legislated separately herefrom as an area where specified integrated resort facilities may be established.

(Basic Principles)

Article 3. The development of the areas for specified integrated resort facilities shall be promoted pursuant to the basic principles to bring about attractive extended-stay tourism with strong international competitiveness by making use of the local ingenuity and originality as well as the vitality of the private sector with an aim to contributing to the promotion of the local economies and generating revenues from sound casinos facilities to be operated under the appropriate supervision and control of the national government to be used for the benefit of the society.

(Responsibilities of National Government)

Article 4. The national government shall be responsible for promoting development of the areas for specified integrated resort facilities in accordance with the basic principles prescribed in the preceding Article.

(Legislative and Other Measures)

Article 5. The national government shall promote development of the areas for the specified integrated resort facilities pursuant to the provisions of the next Chapter and implement measures necessary therefor. When so doing, necessary legislative measures must be implemented within approximately one (1) year from the enforcement of this Act.

Chapter II. Basic Matters for Promoting Development of Areas for Specified Integrated Resort Facilities

Section 1. Fundamental Policies concerning the Promotion of Development of Areas for Specified Integrated Resort Facilities

(Formation of Attractive Tourist Resorts with High International Competitiveness)

Article 6. The national government shall implement measures that are necessary in order to make the relevant areas for specified integrated resort facilities function to serve as core of the formation of truly attractive and internationally competitive tourist resorts while taking advantage of the regional characteristics of the relevant areas.

(Strengthening of International Competitiveness of Tourist and Other Industries and Promotion of Local Economies)

Article 7. The national government shall implement necessary measures to utilize financial, managerial and technical capabilities of the private sector and other necessary measures so as to enhance the international competitiveness of the Japanese tourist industry and increase employment opportunities and otherwise vitalize local economies through development of the areas for specified integrated resort facilities.

(Respecting Plans of Local Governments)

Article 8. The national government shall implement necessary measures to have outstanding plans among those made by the local governments for development of areas for specified integrated resort facilities (including selections of operators for establishment and operation of the specified integrated resort facilities) reflected in the promotion of the development of the areas for specified integrated resort facilities.

(Regulations concerning Personnel Affiliated with Casino Facilities)

Article 9. Those who intend to establish and operate casino facilities (including those intending to engage in a business related to the establishment and operation of casino facilities), those who intend to manufacture, import or sell casino-related instruments and devices and those who intend to offer services to visitors to the casino facilities (hereinafter referred to the “Personnel Affiliated with Casino Facilities”) shall be required to comply with the regulations to be established by the Casino Administration Committee to be set up pursuant to Article 11 hereof.

(Regulations on Establishment and Operation of Casino Facilities)

Article 10.

The national government shall implement necessary measures with regard to the following matters from the perspective of preventing fraudulent conducts in the

casino facilities and ensuring that any adverse effects incidental to establishment and operation of casino facilities are appropriately eliminated:

- (i) Matters related to standards necessary to ensure fairness of the gaming activities in the casino facilities;
 - (ii) Matters concerning appropriate use of chips and other money substitutes used in the casino facilities;
 - (iii) Matters concerning regulations necessary for excluding members of anti-social forces and other persons whose possible involvement in the casino facilities is considered inappropriate from the Personnel Affiliated with Casino Facilities and casino visitors;
 - (iv) Matters concerning preparation of devices, organizations and other systems for monitoring and crime prevention by persons establishing and operating the casino facilities for prevention and reporting of occurrence of criminal conducts;
 - (v) Matters concerning regulations necessary for, *inter alia*, maintenance of the environment conducive to the public morals;
 - (vi) Matters concerning regulations of publicity and advertisement;
 - (vii) Matters concerning dissemination of knowledge necessary for protection of minors and other measures necessary for healthy growth of the youth; and
 - (viii) Matters concerning measures necessary in order to protect visitors to the casino facilities from becoming addicted to gambling and other adverse effects as a result of their utilization of casino facilities.
- (2) In addition to the preceding provisions, the national government shall define the range of classifications of visitors that may be admitted to enter the casino facilities or otherwise implement measures necessary in relation to admission to the casino facilities from the viewpoint of preventing adverse effects that may arise from utilization of casino facilities by persons other than the foreign tourists.

Section 2. Fundamental Nature and Duties of Casino Administration Committee

Article 11. Pursuant to a law to be legislated separately herefrom, the Casino Administration Committee shall be established as an external bureau of the Cabinet Office to regulate the Personnel Affiliated with Casino Facilities in order to maintain order and secure safety concerning establishment and operation of the casino facilities.

Section 3. Levies and Other Payments

(Levies)

Article 12. Pursuant to a law to be stipulated herefrom, the national and local governments shall be authorized to charge levies from the persons establishing or operating the casino facilities.

(Entrance Fees)

Article 13. Pursuant to a law to be legislated separately herefrom, the national and local governments shall be able to collect entrance fees from visitors to the casino facilities.

Chapter III. Headquarters for Promoting Development of Areas for Specified Integrated Resort Facilities

(Establishment)

Article 14. In order to promote the development of the areas for specified integrated resort facilities in a comprehensive and integrated manner, the headquarters for promoting the development of areas for specified integrated resort facilities (hereinafter referred to as the “Headquarters”) shall be established within the Cabinet.

(Affairs under Jurisdiction)

Article 15.

(1) The Headquarters shall take charge of the following affairs:

- (i) Affairs concerning overall coordination of the promotion of the development of the areas for specified integrated resort facilities;
- (ii) Affairs concerning drafting bills and cabinet orders necessary for the promotion of the development of areas for specified integrated resort facilities in a comprehensive and unified manner; and
- (iii) Affairs concerning communication and coordination with agencies and organizations related to the promotion of the development of areas for specified integrated resort facilities.

(2) The competent minister as set forth in the Cabinet Act (Act No. 5 of 1947) for the matters pertaining to the Headquarters shall be the Prime Minister.

(Composition)

Article 16. The Headquarters shall be composed of the director-general of the headquarters for promoting the development of areas for specified integrated resort facilities, the vice director-general of the headquarters for promoting the development of areas for specified integrated resort facilities, and the members of the headquarters for promoting the development of areas for specified integrated resort facilities.

(Director-General of Headquarters for Promoting Development of Areas for Specified Integrated Resort Facilities)

Article 17.

- (1) The Headquarters shall be headed by the director-general of the headquarters for promoting the development of areas for specified integrated resort facilities (hereinafter referred to as the "Director-General"), and the Prime Minister shall serve in this capacity.
- (2) The Director-General shall be in charge of general coordination of the affairs of the Headquarters, and shall direct and supervise relevant officials.

(Vice Director-General of Headquarters for Promoting Development of Areas for Specified Integrated Resort Facilities)

Article 18.

- (1) The vice director-general of the headquarters for promoting the development of areas for specified integrated resort facilities (hereinafter referred to as the "Deputy Director-General") shall be assigned in the Headquarters, and a minister of state shall serve in this capacity.
- (2) The Deputy Director-General shall assist the Director-General in performing the duties thereof.

(Members of Headquarters for Promoting Development of Areas for Specified Integrated Resort Facilities)

Article 19.

- (1) Members of the headquarters for promoting the development of areas for specified integrated resort facilities (hereinafter referred to as "Members") shall be assigned in the Headquarters.
- (2) All ministers of state other than those serving as Director-General and Vice Directors-

General shall serve as Members.

(Submission of Materials and Other Cooperation)

Article 20.

- (1) When the Headquarters find it necessary for carrying out affairs under their jurisdiction, requests may be made to the chiefs of the administrative agencies, local governments, incorporated administrative agencies (referring to incorporated administrative agencies provided for in Article 2, paragraph (1) of the Act on General Rules for Incorporated Administrative Agencies (Act No. 103 of 1999)) and local incorporated administrative agencies (referring to local incorporated administrative agencies provided for in Article 2, paragraph (1) of the Local Incorporated Administrative Agency Act (Act No. 118 of 2003)) and representatives of special public corporations (referring to corporations directly incorporated by an act or corporations incorporated by special judiciary act for establishment by a special act, to which the provision of Article 4, paragraph (1), item (ix) of the Act for Establishment of the Ministry of Internal Affairs and Communications (Act No. 91 of 1999) is applicable) to submit materials, express opinions, give explanations or otherwise execute necessary cooperation.
- (2) If it is considered particularly necessary for the purpose of carrying out the affairs under their jurisdiction, the Headquarters may additionally request persons other than those provided for in the preceding paragraph to extend necessary cooperation.

(Council for Promoting Development of Areas for Specified Integrated Resort Facilities)

Article 21.

- (1) The Council for Promoting the Development of Areas for Specified Integrated Resort Facilities (hereinafter referred to as the "Promotion Council") shall be established within the Headquarters.
- (2) The Promotion Council shall consist of not more than twenty (20) council members, who are to be appointed by the Prime Minister from among persons with relevant expertise and experience.
- (3) The Promotion Council shall study and deliberate important matters concerning the measures to be taken for the promotion of the development of the areas for specified integrated resort facilities and express its opinions to the Director-General.
- (4) When the Promotion Council expresses its opinions pursuant to the provision of the preceding paragraph, it must disclose the content of such opinions to the public without delay.

- (5) When the Director-General takes any measures based upon the opinion expressed pursuant to the provision of paragraph (3) hereof, notification to such effect must be made to the Promotion Council.

(Secretariat)

Article 22.

- (1) The secretariat shall be established in the Headquarters to handle the affairs of the Headquarters.
- (2) The secretariat shall have a secretary-general and other officials as necessary.
- (3) The secretary-general shall be responsible for the management of the secretariat under the instructions of the Director-General.

(Delegation to Cabinet Order)

Article 23. Any matters necessary in relation to the Headquarters shall be provided for in the Cabinet Orders in addition to this Act.

Supplementary Provisions

(Effective Date)

1. This Act shall come into force as of the day of promulgation; provided, however, that the provisions of Chapter III shall come into force on the day designated by a Cabinet Order within a period not exceeding three (3) months counting from the date of promulgation.

(Review)

2. The provisions of this Act and the measures implemented pursuant to the provisions of Article 5 hereof shall be subject to review as necessary within approximately five (5) years after enforcement of this Act.

Supplementary Resolutions to Bill concerning Promoting Development of Areas for Specified Integrated Resort Facilities

In enforcing of the Act, the national government should make every effort to pay thorough attention to the operation and other affairs relating to the Act by giving due consideration to the following points:

1. In promoting the development of the areas for specified integrated resort facilities, special effort should be made to exclude adverse effects that may arise in conjunction with establishment and operation of casino facilities, to develop internationally competitive, highly attractive tourist attractions making the most of the traditions, culture and artistic creations of Japan and to thereby contribute to the tourist industry and vitalization of local economies.
2. When implanting the legislative measures that are necessary under Article 5 of the Act, the national government should fully examine their consistency with laws concerning gambling under the Criminal Code with respect, *inter alia*, to the utility of the purposes of the promotion of the development of the areas for specified integrated resort facilities, nature of the operating and other entities concerned, handling of proceeds, the extent of speculative nature involved, integrity of the operating and other entities concerned, public control on and supervision of the operating entities concerned, financial soundness of the operating entities concerned, and prevention of auxiliary adverse effects.
3. The areas for specified integrated resort facilities shall be in such a scale as will make it fully effective for the veridical promotion of the tourist industry and local economies from an international and national perspectives, while putting a limit on the extent of the casino facilities within the entire facilities of the area and otherwise, the utmost principal objective is to develop the areas for the specified integrated resort facilities in an integral manner.
4. From the standpoint, among others, of securing international competitiveness as specified integrated resort facilities located in Japan and preventing addiction to gambling, the number of areas for the specified resort facilities should be strictly limited to a small number, and a maximum number of cases to be licensed as such areas should be legislatively prescribed.

5. When a local government makes an application for designation as an area for the specified integrated resort facilities, it shall be made prerequisite to obtain the consent of the local assembly, as in statutory requirements for competitive sports for which government-operated gambling is allowed. Further, when the national government gives its authorization, it should be taken into consideration whether concrete measures including the hosting of public hearings by the local government to secure consent of the local community and regional measures against gamble addiction and for maintenance of public peace and order are in place.
6. In order to ensure that the development of the areas for the specified integrated resort facilities will truly contribute to vitalization of the tourist industry and local economies, and as an premise for establishing the specified integrated resort facilities, discussions should be held to make evident what role the relevant local government assumes in promoting the development of the areas for specified integrated resort facilities to order to preclude possible emergence of issues in relation to crime prevention and maintenance of public peace and order, healthy growth of minors and prevention of addictions, etc.
7. There should be strict requirements prescribed in order to ensure that the person intending to establish and operate casino facilities and other Personnel Affiliated with Casino Facilities are selected from genuinely qualified persons, and there should also be a statutory framework provided under which thorough examinations regarding the appropriateness thereof will be conducted. Further, in order to secure healthy operation of the specified integrated resort facilities, including the casinos facilities, as a whole, legislative measures should be implemented to secure its unity as a business entity and the integrity of the business activities.
8. From the viewpoint of preventing addiction, etc., admission to the casino facilities should be strictly controlled. In doing so, legislative measures to contribute to upright operation of casinos that is suitable to the cultural climate of Japan should be implemented, taking fully into consideration the situation of control of casino admissions and the effectiveness and other relevant aspects thereof that can be learned from the measures taken in foreign countries which will include introduction of program of self and family exclusion and collection of entrance fees.

9. When designing a system for admission control, utilization of the Individual Number Card (referring to the “Individual Number Card” prescribed in Article 2, paragraph (7) of the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure) should be considered, with an effort to coordinate it with consideration for protection of private information.
10. Measures against addiction to gambling, etc. should be drastically strengthened. Not only a system should be developed to ascertain the situation in Japan of the addictions to gambling, etc. to understand and analyze the cause thereof, the system for consultation and clinical medication for patients suffering from addiction to gambling, etc. should also be strengthened. In addition, efforts to promote education about addiction to gambling, etc. should be enriched. In order to drastically strengthen the nation’s efforts against addictions to gambling etc. including those that originate not only from casino but also from other gambling and amusements, not only should a framework and system to comprehensively deal with the addictions to gambling, etc. be established but also a synthetic efforts should be made and strengthened through full collaboration among the ministries and agencies concerned. Also, for such purposes, a sufficient budget should be secured.
11. When examining the various regulations prescribed in Article 9 and Article 10 of the Act, the situations of regulations on casinos and other matters practiced in foreign countries should be taken into consideration and the world’s most strict standards for operation of casinos should be established in order to preclude any problems from the viewpoint of crime prevention, maintenance of public peace and order, healthy growth of minors and prevention of addictions, etc. In the same regard, how to treat so-called “junkets” in foreign countries should be discussed most carefully.
12. From the perspective of thoroughly preventing money laundering at the casinos, in addition to the measure to ensure the integrity of the business entity under paragraph 7 above, the measures to introduce strict control of admission to the casinos under paragraph 8 and paragraph 9 above and the measures to establish the world’s most strict standards for the operation of casinos under paragraph 11 above, in order to appropriately respond to the international standards for countermeasures against money laundering set by the FATF Recommendations, necessary and strict measures including penalties should be taken in relation to confirmation of the identity of casino guests at the time of engaging in transactions

thereat, preparation and storing of records of confirmation, reporting of suspicious transactions and other matters based upon the situation, etc. of regulations put in force in foreign countries. Further, from the viewpoint of thoroughly preventing money laundering at casinos, strict execution of tax collection should be ensured.

13. The Casino Administration Committee should be established as an “Article 3 Committee” with independent strong authority and it is essential to build a system in which the Casino Administration Committee can strictly enforce the regulations, etc. on operation of casinos. Thus, sufficient structure and manpower should be secured and human resources be appropriately allocated in order especially to ensure that the Committee is able to strictly enforce the regulations from the inception of the casino operation. At the same time, discussion should be held regarding how to educate personnel that are capable of effectively executing strict regulations on operation of casinos, etc. and supervision of the administrative sanctions and other dispositions of relevant business entities. Further, as a premise for establishment of the specified integrated resort facilities, in order to prevent emergence of any problems from the viewpoint of crime prevention, maintenance of public peace and order, healthy growth of minors and prevention of addictions, etc., necessary structures should be set up at the level of each relevant prefectural police headquarters and collaboration between the Casino Administration Committee and these organizations concerned should also be secured.
14. In light of the fact that the operating entities of the casinos will be private companies, the equivalent systems in place in the foreign countries should be fully taken into account when considering the taxation system and accounting rules, etc. that apply to the casino operators.
15. When the levies provided for in Article 12 of the Act are to be collected, while such levies should be used for purposes that are in conformity with the purposes of promotion of the development of areas for the specified integrated resort facilities set forth in Article 1 of the Act, it should also be considered to use the same for the purposes of social welfare, promotion of culture and arts and other public benefits. When designing the systems therefor, due consideration should be made as regards implementation of measures against addiction and other measures necessary under Article 10 of the Act as well as for the local governments of the surrounding areas.

16. In addition to the foregoing, when considering necessary legislative measures prescribed in Article 5 of the Act, thorough and full discussion on a nationwide basis should be made.