

**Bill Promoting Implementation of
Specified Integrated Resort Areas**

(English Translation)

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Chapter I

General Provisions

Article 1 (*Purpose*)

In light of the fact that promoting implementation of Specified Integrated Resort Areas contributes to the development of tourism and local economies, as well as improvement of the financial position, the purpose of this act is to set out the fundamental principles, fundamental policies and other fundamental matters relating to the promotion of the implementation of Specified Integrated Resort Areas, and to do so in a comprehensive and intensive manner by establishing the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas.

Article 2 (*Definition*)

The term "Specified Integrated Resorts" as used in this act means an integrated complex in which casino facilities (limited to those established and operated in the Specified Integrated Resort Areas by private entities authorized as prescribed under a separate law by the Casino Control Committee established under Article 11, hereinafter the same), convention facilities, recreation facilities, exhibition facilities, lodging facilities and other facilities accepted to contribute to the promotion of tourism operated by a private entity.

2. The term "Specified Integrated Resort Areas" as used in this act means an area certified by the national government as an area where a Specified Integrated Resort can be established, based on the application of the local government, as prescribed under a separate law.

Article 3 (*Fundamental Principles*)

The implementation of the Specified Integrated Resort Areas shall be promoted on the basis of achieving international competitiveness and attractive extended stay sight-seeing visits, by taking advantage of regional characteristics and the innovation and vitality of the private sector's ability to contribute to the development of the regional economies and redistribute to the community the proceeds of the healthy casino facilities operated under appropriate national government surveillance and management.

Article 4 (*Responsibility of the National Government*)

The national government shall be responsible for promoting the implementation of the Specified Integrated Resort Areas in accordance with the fundamental principles set out in the previous Article.

Article 5 (*Legislative Measures, etc.*)

The government shall, in accordance with the provisions set out in the subsequent Chapter, promote the implementation of the Specified Integrated Resort Areas, and take necessary measures for that purpose. Any necessary legislative measures for this purpose should be taken with the intent of doing so within one year after the enforcement of this act.

Chapter II

Fundamental Matters related to the Promotion to Implement Specified Integrated Resort Areas

Section 1

Fundamental Policies regarding the Promotion to Implement Specified Integrated Resort Areas

Article 6 (Formation of Internationally Competitive and Attractive Tourist Destinations and Other Matters)

The government shall take necessary measures so that the Specified Integrated Resort Areas will have the features central to establishing genuine internationally competitive and attractive tourist destinations while utilizing regional characteristics.

Article 7 (Strengthening the International Competitiveness of the Tourism Industry and Other Matters, and Development of the Regional Economies)

The government shall utilize the funds, management skills and technical skills of the private sector, and take other necessary measures so that the implementation of the Specified Integrated Resort Areas will strengthen the international competitiveness and stimulate other areas of the economy, such as by improving the country's tourism industry and increasing job opportunities.

Article 8 (Respect for the Policies of Local Governments)

Of the local governments' concepts regarding the implementation of the Specified Integrated Resort Areas (including the selection of the business operator which is to establish and operate the Specified

Integrated Resorts), the government shall take necessary measures to reflect those of the local governments concepts that are excellently capable in promoting the implementation of the Specified Integrated Resort Areas.

Article 9 (Regulations on Casino Facilities Related Entity)

Those who intend to establish and operate casino facilities (including those who intend to engage in business related to the establishment and operation of casino facilities), those who intend to manufacture, import or sell casino-related equipment, and those who intend to provide services to visitors at the casino facilities (the "Casino Facilities Related Entity") must comply with the regulations of the Casino Control Committee set out in Article 11, as prescribed under a separate law.

Article 10(Regulations Concerning the Establishment and Operation of the Casino Facilities)

In the establishment and operation of the casino facilities, the government shall take the necessary measures with respect to the matters listed below, with consideration to properly preventing fraudulent activity at the casino facilities, and eliminating harmful influences that may be associated with the establishment and operation of the casino facilities:

- (1) Matters concerning the preparation of standards necessary to ensure the fairness of games played at the casino facilities;
- (2) Matters concerning the proper use of chips and other monetary substitutes used at the casino facilities;

Section 2

Fundamental Characteristics and Duties of the Casino Control Committee

Article 11

The Casino Control Committee shall be established, as prescribed under a separate law, as an external organ of the Cabinet Headquarters, and shall regulate the Casino Facilities Related Entity to maintain order and ensure safety in the establishment and operation of the casino facilities.

Section 3

Levy etc.

Article 12 (Levy)

The national and local governments may, as prescribed under a separate law, collect a levy from those who establish and operate the casino facilities.

Article 13 (Admission Fee)

The national and local governments may, as prescribed under a separate law, collect an admission fee from visitors of the casino facilities.

- (3) Matters concerning the regulations necessary to exclude from Casino Facilities Related Entities and visitors of the casino facilities, any *boryokudan* and other persons whose involvement in the casino facilities would be improper;
- (4) Matters concerning the implementation of equipment, organizations and other systems pertaining to the surveillance and security by those who establish and operate the casino facilities for the purpose of preventing the occurrence and reporting of crimes;
- (5) Matters concerning the regulations necessary to maintain public morals or the like;
- (6) Matters concerning the regulations on advertising and provision of information;
- (7) Matters concerning the dissemination of knowledge required to protect youths, and other measures necessary for the sound upbringing of youths; and
- (8) Matters concerning the measures necessary to prevent visitors of the casino facilities from being adversely affected by the use of the casino facilities.

2. In addition to the matters prescribed in the preceding paragraph, the government shall, from the view point of preventing adverse effect from the use of the casino facilities by those other than foreign national tourists, determine the range of people who may enter the casino facilities and take other necessary measures in relation to the entry into the casino facilities.

Chapter III

Headquarters for the Promotion and Implementation of Specified Integrated Resort Areas

Article 14 (Establishment)

For the purpose of promoting the implementation of the Specified Integrated Resort Areas in a comprehensive and intensive manner, the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas (the “Headquarters”) shall be established in the Cabinet Headquarters.

Article 15 (Affairs under the Jurisdiction)

The Headquarters shall have authority over the following affairs:

- (1) Matters concerning general coordination to promote the implementation of the Specified Integrated Resort Areas;
 - (2) Matters concerning drafting bills and proposed cabinet orders necessary for promoting the implementation of the Specified Integrated Resort Areas in a comprehensive and intensive manner;
 - (3) Matters concerning the liaison and coordination between the relevant organizations and the concerned bodies related to promoting implementation of the Specified Integrated Resort Areas.
2. For the matters pertaining to the Headquarters, the competent minister as stipulated in the Cabinet Act (Act No. 5 of 1947) shall be the Prime Minister.

Article 16 (Organization)

The Headquarters shall consist of a Director-General of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas, a Vice Director-General of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas, and Members of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas.

Article 17 (Director General of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas)

The Headquarters shall be headed by the Director-General of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas (the “Director-General”), and the position of Director-General shall be served by the Prime Minister.

2. The Director-General shall be responsible for the general coordination of the Headquarters’ affairs, and shall direct and supervise the relevant officials.

Article 18 (Vice Director General of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas)

The Vice Director-General of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas (the “Vice Director-General”) shall be assigned to the Headquarters and shall be appointed from among the Ministers of State.

2. The Vice Director-General shall assist the duties of the Director-General.

Article 19 (Members of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas)

The Headquarters shall have the Members of the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas (the “Members”).

2. The Members shall be all of the Ministers of the State, other than the Director-General and Vice Director-General.

Article 20 (Submission of Materials and Other Cooperation)

The Headquarters may request the head of any relevant administrative organ, local public entity, incorporated administrative agency (referring to any of the incorporated administrative agencies prescribed in Paragraph 1, Article 2 of the Act on General Rules for Incorporated Administrative Agency (Act No. 103 of 1999)) or the local incorporated administrative agency (referring to any of the local incorporated administrative agencies as prescribed in Article 2, paragraph 1 of the Local Incorporated Administrative Agency Act (Act No. 118 of 2003)), or the representative of any special corporation (referring to any of the corporations directly established by legislation or by special act of incorporation under special legislation which are subject to the provision of Item 15, Article 4 of the Act for Establishment of the Ministry of Internal Affairs and Communications (Act No. 91 of 1999) to submit materials, to express opinions, to give explanations and to offer other necessary cooperation if it is deemed necessary to implement the matters under its jurisdiction.

2. The Headquarters may also request necessary cooperation from parties other than those specified in the preceding paragraph if it is deemed particularly necessary to implement the matters under its jurisdiction.

Article 21 (Council for Promotion & Implementation of Specified Integrated Resort Areas)

The Headquarters shall have the Council for Promotion & Implementation of Specified Integrated Resort Areas (the “Promotion Council”).

2. The Promotion Council consists of no more than twenty committee members with relevant knowledge and experience appointed by the Prime Minister.
3. The Promotion Council studies and deliberates the important matters pertaining to the measures taken for the purpose of promoting the implementation of Specified Integrated Resort Areas, and states its opinion to the Director General.
4. The Promotion Council, when having stated its opinion pursuant to the preceding paragraph, shall publicize the content thereof without delay
5. The Director General, when having taken the measures pursuant to the opinion as provided in paragraph 3, shall give notice to the Promotion Council

Article 22 (Secretariat)

- A secretariat shall be established to the Headquarters for the administration of the Headquarters' affairs.
2. The secretariat shall have a secretary-general and necessary staff.
 3. The secretary general shall take control of the affairs of the secretariat in accordance with orders of the Director-General.

Article 23 (Delegation to Cabinet Order)

In addition to what is provided for in this act, the necessary matters concerning the Headquarters shall be prescribed by Cabinet Order.

Supplementary Provisions

This act shall come into effect as of the day of its promulgation, provided that the provisions of Chapter III shall come into effect as of the day specified by Cabinet Order, within a period not exceeding three months from the day of promulgation.

Reason

In light of the fact that promoting implementation the Specified Integrated Resort Areas contributes to the development of tourism and the local economies, as well as improvement of the financial position, the aim is to set out the fundamental principles, fundamental policies and other fundamental matters concerning promoting implementation of the Specified Integrated Resort Areas, and to do so in a comprehensive and intensive manner by establishing the Headquarters of Promotion & Implementation of Specified Integrated Resort Areas. This is the reason this bill has been submitted.

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- ◆ Providing advice concerning the Japanese IR Bill and gaming regulations to various casino operators, equipment manufacturers and foreign law firms. Named “**Leading Gaming Law Advisor of the Year**” in 2016 by Acquisition International.

- ◆ Multiple publications concerning the Japanese gaming regulations including the IR Bill:
 - 『The Policy Objective of IR Bill –what is the objective and how should it be reached–』 (Japan IR Association, April 2015)
 - 『Overview of the Japanese casino bill』 (Asian Gaming Lawyer, 2015)
 - 『The International Comparative Legal Guide to: Gambling 2015 (General Chapter)』 (Global Legal Group Ltd. 2014)
 - 『The Japanese "Casino Bill": Potential Sources of Successes and Failures of Cross-Border Dealings』 (LexisNexis, 2014)
 - 『Introduction to Japanese Business Law & Practice (Second Edition) 』 (LexisNexis, 2014)

- ◆ In areas other than gaming, Hitoshi Ishihara has a good track record of providing accurate and timely advice matching clients’ needs, backed by over seven years’ experience in the United States, with an exceptional focus on cross-border business negotiation, dispute resolution, M&A, international trade, and corporate/commercial matters (including advice concerning corporate governance, compliance, joint venture management, and internal investigations).

Professional and Academic Associations

- Dai-ni Tokyo Bar Association
- State Bar of California
- International Masters of Gaming Law

Languages

- Japanese
 - English
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