

## PREFACE

This Horse Racing Act is English translation of the Japanese "Horse Racing Act", but not the official translation.

This translation should be used solely as reference material to aid in understanding of this Act.

Only the original Japanese texts of this Act are official and have effect, and in event of any doubt as to the interpretation of this Act, it is advised that reference should be made to the original Japanese text.

The JRA shall not be responsible for any losses, damages and troubles caused by mistranslations and/or interpretations that differ from the actual facts.

# Horse Racing Act

(Act No.158 of July 13th, 1948)

## Amendments

Act No.197 of June 6th, 1949	Act to Amend Part of the Horse Racing Act
Act No.198 of June 6th, 1949	Act to Amend Part of the Horse Racing Act
Act No.275 of December 17th, 1949	Act to Amend Part of the Horse Racing Act
Act No.216 of May 31st, 1950	Act to Amend Part of the Horse Racing Act
Act No.259 of December 12th, 1950	Act to Amend Part of the Horse Racing Act
Act No.294 of December 21st, 1950	Act to Amend Part of the Horse Racing Act
Act No.141 of April 9th, 1951	Act to Amend Part of the Horse Racing Act
Act No.156 of May 22nd, 1951	Act to Amend Part of the Horse Racing Act
Act No.21 of June 14th, 1955	Act to Amend Part of the Horse Racing Act
Act No.83 of April 20, 1962	Act to Amend Part of the Horse Racing Act
Act No.22 of March 31st, 1965	Act to Amend Part of the Act to Amend Part of the Horse Racing Act
Act No.52 of May 17th, 1968	Act to Amend Part of the Horse Racing Act
Act No.70 of May 10th, 1991	Act to Amend Part of the Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act
Act No.86 of June 9th, 2004	Act to Amend Part of the Horse Racing Act
Act No.76 of June 6th, 2007	Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act
Act No.37 of June 27th, 2012	Act to Amend Part of the Horse Racing Act
Act No.18 of May 7th, 2015	Act to Amend Part of Horse Racing Act

## Related Acts

Act No.155 of May 31st, 1949	Article 6 of the Act on Arrangement of Relevant Legislation Incidental to the Enforcement of the Ministry of Agriculture and Forestry Establishment Act
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Act No.210 of May 30, 1950	Paragraph 12, Supplementary Provisions, Local Finance Committee Establishment Act
Act No.262 of July 31st, 1952	Article 5 of the Act on Arrangement of Relevant Legislation Incidental to the Enforcement of the Autonomy Agency Establishment Act
Act No.213 of August 15th, 1953	Article 50 of the Act on Arrangement of Relevant Legislation Incidental to the Enforcement of the Act to Amend Part of the Local Autonomy Act
Act No.95 of May 13th, 1954	Paragraph 41, Supplementary Provisions of the Act to Amend Part of the Local Tax Act
Act No.205 of July 1st, 1954	Paragraph 12, Supplementary Provisions of the Japan Racing Association Act
Act No.12 of March 24th, 1958	Paragraph 9, Supplementary Provisions of the Act to Amend Part of the Act for Calculation of Fractions in Treasury Receipts and Disbursements, etc.
Act No.113 of June 30, 1960	Article 28, Supplementary Provisions of the Act to Amend Part of the Autonomy Agency Establishment Act
Act No.71 of June 1st, 1974	Article 8, Supplementary Provisions of the Act to Amend Part of the Local Autonomy Act
Act No.87 of July 5th, 1978	Item (ix), Article 12, Supplementary Provisions of the Act to Amend Part of the Ministry of Agriculture and Forestry Establishment Act
Act No.49 of June 29th, 1994	Article 43 of the Act on Arrangement of Relevant Legislation Incidental to the Enforcement of the Act to Amend Part of the Local Autonomy Act
Act 103 of June 24th, 1997	Article 39 of the Act to Promote the Creation and Disclosure of Financial Statements, etc., by Special Public Corporations
Act No.151 of December 8th, 1999	Article 28 of the Act on Arrangement, etc., of Relevant Legislation Incidental to the Enforcement of the Act to Amend Part of the Civil Code
Act No.160 of December 22nd, 1999	Article 782 of the Enforcement Act of the Relevant Act on the Reorganization of Central Government Ministries, etc.
Act No.50 of June 2nd, 2006	Article 326 of the Act on Arrangement, etc., of Relevant Legislation Incidental to the Enforcement of the Act on General Incorporated Associations and General Incorporated Foundations and the Act on Authorization of Public Interest Incorporated Associations and Public Interest Incorporated Foundations
Act No.105 of August 30, 2011	Act on Arrangement of Relevant Legislation for Promoting Reforms to Raise Local Autonomy and Independence

# Horse Racing Act

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## Chapter 1      General Provisions

(Purpose)

### Article 1

The purpose of this Act shall be to contribute to promoting the improvement and breeding of horses as well as other aspects of animal husbandry, and to provide for racing implemented with the aim of improving local government finances.

(Implementation of Racing)

### Article 1–2

1. The Japan Racing Association and the prefectures of Japan may implement horse racing in accordance with this Act.
2. Municipalities (including special wards; the same shall apply hereinafter) falling under either of the items set forth below and designated by the Minister for Internal Affairs and Communications in consultation with the Minister for Agriculture, Forestry and Fisheries in view of their special need in terms of financing (hereinafter “Designated Municipalities”) may operate horse racing in accordance with this Act from the date of such designation until the deadline stated in said designation as the time when said special need is expected to end.
  - (i) Municipalities that have suffered severe damage from natural disasters.
  - (ii) Municipalities that have a regional racecourse located within their municipal area.
3. The Minister for Internal Affairs and Communications must, when wishing to designate a municipality under the provisions of the preceding paragraph, consult the opinion of the Local Finance Council.
4. Conditions may be attached to the designation provided in the preceding two

paragraphs.

5. Horse racing held by the Japan Racing Association shall be called central racing and horse racing held by prefectures or Designated Municipalities shall be called regional racing.

6. No person other than the Japan Racing Association, prefectures or Designated Municipalities may sell pari-mutuel betting tickets or anything resembling the same, or operate horse racing.

## **Chapter 2 Central Racing**

(Racecourses)

### **Article 2**

Racecourses under central racing shall be prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries up to a maximum of twelve (12).

(Holding Race Meets)

### **Article 3**

Race meets in central racing must not be held in excess of the scope prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries with regard to the items set forth below, or in violation of the dates prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

- (i) The annual number of race meets
- (ii) The annual number of race meets per racecourse
- (iii) The number of days per race meet
- (iv) The number of races per day

(Designation of Races in Overseas Racing)

### **Article 3-2**

1. The Minister for Agriculture, Forestry and Fisheries may designate races in overseas racing (meaning racing implemented overseas when measures have been taken to ensure fairness and impartiality through a system for the supervision of racing deemed to be of an equal level to that of Japan; the same shall apply hereinafter) for which the Japan Racing Association may sell pari-mutuel betting tickets.

2. Designation under the provisions of the preceding paragraph shall be made for races in overseas racing in which horses that have undergone registration under the provisions of Article 14 can take part, when participation by horses that have undergone

said registration can be expected to contribute to promoting the improvement and breeding of horses as well as other aspects of animal husbandry.

(Entrustment of the Administration of Horse Racing)

**Article 4**

The Japan Racing Association may entrust the administration of horse racing to prefectures, municipalities or private individuals, as prescribed by Cabinet Order.

(Admission Fees)

**Article 5**

When holding races, the Japan Racing Association must collect from spectators (excluding persons provided in each item of Article 29, and any other persons prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries) an admission fee equal to, or greater than, an amount prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, provided however that this shall not apply when obtaining the approval of the Minister for Agriculture, Forestry and Fisheries that there is no risk of obstructing the maintenance of order at the racecourse.

(Pari-Mutuel Betting Tickets)

**Article 6**

1. The Japan Racing Association may sell pari-mutuel betting tickets with a face value of ten (10) yen for races in race meets held by it and races in overseas racing designated under the provisions of Article 3-2 paragraph 1.
2. The Japan Racing Association may sell pari-mutuel betting tickets using single tickets to represent ten (10) or more units of the pari-mutuel betting tickets provided in the preceding paragraph.
3. The creation of the pari-mutuel betting tickets provided in paragraph 1 above may be substituted by the creation of electromagnetic records recording the information that should be stated thereon (meaning records created by electronic, magnetic or other means not recognizable by human perception, which are prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries as means provided for processing data by computers; the same shall apply hereafter in this paragraph). In this case, said electromagnetic records shall be regarded as the pari-mutuel betting tickets provided in paragraph 1, and the records in said electromagnetic records shall be regarded as descriptions of the pari-mutuel betting tickets provided in said paragraph.
4. The Japan Racing Association must, when intending to sell pari-mutuel betting

tickets for races in overseas racing under the provisions of paragraph 1, obtain the approval of the Minister for Agriculture, Forestry and Fisheries in advance, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

5. The Minister for Agriculture, Forestry and Fisheries shall only give the approval set forth in the preceding paragraph if pari-mutuel betting is deemed to be implemented fairly, impartially and appropriately, taking account of the system for implementing said pari-mutuel betting and other circumstances.

(Pari-Mutuel Betting Methods)

#### **Article 7**

There shall be five (5) methods of pari-mutuel betting, consisting of win, place, correct-order forecast and either-order forecast (referred to hereafter in this Article and in Article 12 paragraph 4 as “Basic Pari-Mutuel Betting Methods”), as well as multiple pari-mutuel betting (meaning a method in which the winning horse is a combination of individual winning horses according to the same basic betting method used in multiple races held on the same day; the same shall apply hereinafter). The method of deciding the winning horse in each pari-mutuel betting method (or, in the case of multiple pari-mutuel betting methods or other pari-mutuel betting methods prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, the type prescribed for each pari-mutuel betting method in Ordinances of the Ministry of Agriculture, Forestry and Fisheries; the same shall apply hereinafter) and the method of combining, limiting or otherwise implementing types of pari-mutuel betting methods shall be prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Payouts)

#### **Article 8**

1. The Japan Racing Association shall pay an amount corresponding to the sum obtained by multiplying the net turnover from sales of pari-mutuel betting tickets for a race (meaning the amount remaining after money to be refunded under the provisions of Article 12 has been deducted from the gross turnover arising from sales of pari-mutuel betting tickets; the same shall apply hereinafter) by a ratio determined by the Japan Racing Association within a ratio determined by the Minister for Agriculture, Forestry and Fisheries, being not less than seventy (70) percent (or, when the additional amount provided in paragraph 1 or paragraph 3 of the following Article arises in a multiple pari-mutuel betting method, the amount after the addition of said additional amount; hereinafter “Gross Payout Amount”) pro rata for each pari-mutuel betting ticket for the

winning horse, as a payout to holders of winning pari-mutuel betting tickets for each type of pari-mutuel betting method.

2. If the amount of the payout in the preceding paragraph is less than the face value of pari-mutuel betting tickets, said face value shall be regarded as the amount of the payout.

3. If there are no holders of winning pari-mutuel betting tickets (excluding cases provided in paragraph 1 of the following Article), the Gross Payout Amount shall be issued pro rata for each pari-mutuel betting ticket, as a payout to holders of pari-mutuel betting tickets for horses that ran in the race other than the winning horse.

4. The method of calculating the sum to be issued under the provisions of paragraph 1 above or the preceding paragraph, as well as the payment thereof, shall be prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

#### **Article 9**

1. If there are no holders of winning pari-mutuel betting tickets in a type of multiple pari-mutuel betting method prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries as having a low winning ratio (hereafter in this Article “Designated Multiple Pari-Mutuel Betting Method”), the Gross Payout Amount pertaining to said pari-mutuel betting tickets shall be the additional amount pertaining to pari-mutuel betting tickets in the first Designated Multiple Pari-Mutuel Betting Method which is the same type as said Designated Multiple Pari-Mutuel Betting Method, and in which there are subsequently winning pari-mutuel betting ticket holders.

2. If the amount of the payout provided in paragraph 1 of the preceding Article for a Designated Multiple Pari-Mutuel Betting Method exceeds the maximum payout prescribed in Ordinances of the Ministry for Agriculture, Forestry and Fisheries, an amount equivalent to such maximum amount shall be the amount of the payout.

3. The portion of the total payout provided in paragraph 1 of the preceding Article that exceeds the maximum amount in cases provided in the preceding paragraph shall be the additional amount pertaining to pari-mutuel betting tickets for the first Designated Multiple Pari-Mutuel Betting Method which is the same type as said Designated Multiple Pari-Mutuel Betting Method and in which there are subsequently winning pari-mutuel betting ticket holders.

4. If the use of a Designated Multiple Pari-Mutuel Betting Method is suspended, the disposal of the additional amount provided in paragraph 1 and the preceding paragraph shall be as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

## **Article 10**

1. If there is a fraction of less than one (1) yen in the amount calculated under the provisions of the preceding two Articles when issuing the payout, said fraction shall be rounded down.
2. Amounts arising from the rounding down of fractions provided in the preceding paragraph shall be the revenue of the Japan Racing Association.

## **Article 11**

Claims concerning payouts under the provisions of Articles 8 and 9 or refunds under the provisions of paragraph 6 of the following Article shall become null and void under the statute of limitations if they are not made within sixty (60) days.

(Invalidity of Betting)

## **Article 12**

1. If a circumstance falling under either of the items set forth below arises in connection with a given race after pari-mutuel betting tickets (excluding those related to multiple pari-mutuel betting methods; the same shall apply in the following paragraph and in paragraph 3 below) have been sold, betting for said race shall be null and void.
  - (i) When none or only one (1) of the horses that are due to run remains.
  - (ii) When the race does not take place.
2. Besides cases provided in the preceding paragraph, when there is a type of pari-mutuel betting method involving no winning horse after pari-mutuel betting tickets have been sold, betting for said pari-mutuel betting method shall be null and void.
3. If a horse whose number is displayed on a sold pari-mutuel betting ticket (or, for correct-order forecast and either-order forecast pari-mutuel betting methods, a horse whose number falls under any combination displayed on the pari-mutuel betting ticket) does not run, betting on said horse (or, for correct-order forecast and either-order forecast pari-mutuel betting methods, on the combination that includes the number of said horse) shall be null and void. If identical numbers are used to form a single combination in correct-order or either-order forecast pari-mutuel betting methods, the same shall apply to betting on combinations when only one (1) of the horses with that number runs.
4. When betting in a Basic Pari-Mutuel Betting Method related to multiple pari-mutuel betting methods becomes null and void under the provisions of the preceding three paragraphs, betting in multiple pari-mutuel betting methods shall be null and void when horses with numbers displayed on pari-mutuel betting tickets in said betting (or, if the correct-order forecast or either-order forecast pari-mutuel betting method is used as



the Basic Pari-Mutuel Betting Method, the combination displayed on said pari-mutuel betting tickets) are displayed on said pari-mutuel betting tickets.

5. If, due to a disaster or other unavoidable circumstance, it becomes impossible to total all or part of the proceeds from pari-mutuel betting tickets sold to persons other than racecourse spectators and sales proceeds from pari-mutuel betting tickets sold to spectators, betting by persons other than racecourse spectators that may not be totaled shall be null and void.

6. In the cases provided in each of the preceding paragraphs, the holders of the pari-mutuel betting tickets in question may claim face-value refunds from the Japan Racing Association in exchange for said pari-mutuel betting tickets.

(Registration of Owners)

### **Article 13**

1. Persons not registered by the Japan Racing Association, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, may not run horses in central racing (excluding races in overseas racing for which the Japan Racing Association sells pari-mutuel betting tickets; the same shall apply hereinafter).

2. The Japan Racing Association may, if deeming it necessary to ensure that horse racing is operated fairly and impartially, remove the registration provided in the preceding paragraph, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Registration of Horses)

### **Article 14**

Horses not registered by the Japan Racing Association may not run in central racing.

(Registration of Racing Colors)

### **Article 15**

Persons who intend to use their own racing colors when running horses in central racing must have their racing colors registered by the Japan Racing Association.

(Training and Riding Racehorses)

### **Article 16**

1. Trainers or jockeys not licensed by the Japan Racing Association, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, may not train or ride horses for the purpose of running in central racing.

2. The Japan Racing Association may, if deeming it necessary to ensure that horse racing is operated fairly, impartially and safely, cancel the licensing provided in the preceding paragraph, as prescribed in Ordinances of the Ministry for Agriculture, Forestry and Fisheries.

(Registration Fees and License Fees)

#### **Article 17**

The Japan Racing Association may levy registration fees and licensing fees, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, for registration and licensing under the provisions of Article 13 through the preceding Article, taking account of the actual expense involved.

(Special Registration Fees)

#### **Article 18**

1. The Japan Racing Association may levy a special registration fee of up to three million (3,000,000) yen from persons intending to run horses in central racing prescribed with the approval of the Minister for Agriculture, Forestry and Fisheries.
2. Special registration fees levied under the provisions of the preceding paragraph must be appropriated as part of the prize money for races provided in the preceding paragraph.

### **Chapter 3 Regional Racing**

(Number of Racecourses)

#### **Article 19**

The number of regional racecourses shall not exceed six (6) in Hokkaido and two (2) in each of the other prefectures.

(Holding Race Meets)

#### **Article 20**

1. Regional race meets shall not be held in excess of the scope prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries with regard to the items set forth below, or in violation of the dates prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.
  - (i) The annual number of race meets in the area of each prefecture
  - (ii) The number of days per race meet

- (iii) The number of races per day
2. The Minister for Agriculture, Forestry and Fisheries may issue instructions to prefectures or Designated Municipalities in connection with the number of race meets, the number of days in a race meet, the dates of race meets, and other matters related to race meets, as necessary from the viewpoint of coordination.

(Designation of Races in Overseas Racing)

**Article 20–2**

1. The Minister for Agriculture, Forestry and Fisheries may designate races in overseas racing for which prefectures or Designated Municipalities may sell pari-mutuel betting tickets.
2. Designation under the provisions of the preceding paragraph shall be made for races in overseas racing in which horses that have undergone registration under the provisions of Article 14 as applied mutatis mutandis in Article 22 can take part, when participation by horses that have undergone said registration can be expected to contribute to promoting the improvement and breeding of horses as well as other aspects of animal husbandry.

(Entrustment of the Administration of Horse Racing)

**Article 21**

Prefectures or Designated Municipalities may entrust the administration of horse racing to other prefectures or municipalities, the Japan Racing Association, the National Association of Racing or private individuals, as prescribed by Cabinet Order.

(Provisions Applied Mutatis Mutandis)

**Article 22**

The provisions of Articles 5 through 9, Articles 11 through 14 and Articles 16 through 18 shall apply mutatis mutandis to regional racing. In this case, “the Japan Racing Association” in Article 5, Article 6 paragraphs 1, 2 and 4, Article 8 paragraph 1, Article 12 paragraph 6 and Article 18 paragraph 1 shall read “prefectures or Designated Municipalities,” “Article 3–2 paragraph 1” in Article 6 paragraph 1 shall read “Article 20–2 paragraph 1”, “by the Japan Racing Association” in Article 13 paragraph 1 shall read “by the National Association of Racing”, “the Japan Racing Association sells” in said paragraph shall read “prefectures or Designated Municipalities sell”, and “the Japan Racing Association” in Article 13 paragraph 2, Article 14, Article 16 and Article 17 shall read “the National Association of Racing”.

(Subsidies to the National Association of Racing)

**Article 23**

1. Prefectures or Designated Municipalities must pay the amounts set forth below to the National Association of Racing.

- (i) If the net turnover (meaning the net turnover from sales of pari-mutuel betting tickets for the holding of one (1) race meet or the net turnover from sales of pari-mutuel betting tickets for races in overseas racing during a period prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries; the same shall apply hereafter in this paragraph and in the Annexed Table) corresponds to the amount displayed in the upper row of said Table, an amount corresponding to each amount displayed in the lower row of said Table, in accordance with said net turnover.
- (ii) In accordance with the net turnover, an amount corresponding to an amount prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries not exceeding four-thousandths (4/1,000) of said net turnover.

2. The subsidies provided in the preceding paragraph must be issued within a period prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries not exceeding thirty (30) days after the end of each race meet or each period provided in item (i) of said paragraph.

(Exceptions to Subsidies)

**Article 23–2**

1. If it is markedly difficult for prefectures or Designated Municipalities to issue the subsidies provided in paragraph 1 item (i) of the preceding Article (hereinafter “Item (i) Subsidies”) within the period prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries as provided in paragraph 2 of the same Article due to events falling under both item (i) and item (ii) below, they may extend the deadline for issuing said Item (i) Subsidies, irrespective of the provisions of said paragraph.

- (i) When there is a marked imbalance between revenues and expenditures in the horse racing business, or it is expected that there will definitely be a marked imbalance in the same.
- (ii) When it is expected that the current marked imbalance between revenues and expenditures in the horse racing business will continue for a period prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, being not less than one (1) year.

2. In cases provided in the preceding paragraph, prefectures or Designated Municipalities wishing to extend the deadline for issuing said Item (i) Subsidies must first consult the Minister for Agriculture, Forestry and Fisheries, attaching a document stating the matters set forth below, and must obtain the Minister's approval, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

- (i) The period in which they will take measures with the intention of extending the deadline for issuing Item (i) Subsidies (hereinafter "Exceptional Period").
- (ii) The expected amount of Item (i) Subsidies whose payment deadline is to be extended during the Exceptional Period.
- (iii) The deadline for issuing the Item (i) Subsidies provided in the preceding item after the extension (hereinafter "Exceptional Deadline").
- (iv) Other matters prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

3. The Exceptional Period may not exceed five (5) years and the Exceptional Deadline may not exceed a period of ten (10) years from the day after the end of the Exceptional Period.

4. When intending to consult under the provisions of paragraph 2 above, prefectures or Designated Municipalities must prepare a business plan for improving the balance between revenues and expenditures in the horse racing business, stating the current status of the balance between revenues and expenditures, measures necessary for improving the same, and other matters prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, and must submit it to the Minister for Agriculture, Forestry and Fisheries, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

### **Article 23-3**

1. On receiving consultation under the provisions of paragraph 2 of the preceding Article, the Minister for Agriculture, Forestry and Fisheries shall only give the approval provided in said paragraph in cases falling under both of the items set forth below.

- (i) When the balance between revenues and expenditures in the horse racing business falls under both items of paragraph 1 of the preceding Article.
- (ii) When it is expected that the balance between revenues and expenditures will have improved after the end of the Exceptional Period through solid implementation of the business plan for improving the balance between revenues and expenditures, and that as a result Item (i) Subsidies will be issued stably.

2. When wishing to give approval under the provisions of paragraph 2 of the

preceding Article, the Minister for Agriculture, Forestry and Fisheries must first consult the opinion of the National Association of Racing.

3. When wishing to state its opinion in cases provided in the preceding paragraph, the National Association of Racing must first obtain a resolution of the Management Committee provided in Article 23–17 paragraph 1.

4. When the Minister for Agriculture, Forestry and Fisheries has given the approval provided in paragraph 2 of the preceding Article, the Minister shall inform the National Association of Racing to that effect without delay.

#### **Article 23–4**

1. When prefectures or Designated Municipalities are expected to have marked difficulty in issuing Item (i) Subsidies by the Exceptional Deadline even after extending the original deadline for issuing said Item (i) Subsidies under the provisions of Article 23–2, they may further extend the Exceptional Deadline for issuing said Item (i) Subsidies. In this case, the extended deadline must be determined within three (3) years from the day after the Exceptional Deadline.

2. The provisions of Article 23–2 paragraphs 2 and 4 and the preceding Article shall apply *mutatis mutandis* to the extension of the Exceptional Deadline provided in the preceding paragraph.

#### **Article 23–5**

Prefectures or Designated Municipalities that have obtained approval under the provisions of Article 23–2 paragraph 2 (including cases applied *mutatis mutandis* in paragraph 2 of the preceding Article) must operate their horse racing business in accordance with the business plan for improving the balance between revenues and expenditures pertaining to said approval.

#### **Article 23–6**

1. When the deadline for issuing Item (i) Subsidies has been extended under the provisions of Article 23–2 but prefectures or Designated Municipalities are still expected to have marked difficulty in issuing the Item (i) Subsidies that were subject to the extension of said deadline (hereinafter “Exceptionally Extended Subsidies”) by the Exceptional Deadline (or, when the Exceptional Deadline has been extended under the provisions of Article 23–4, after such extension) and have withdrawn from the horse racing business (meaning that prefectures or Designated Municipalities will no longer implement racing, based on a resolution of their local assemblies; the same shall apply

hereinafter), they may appropriate all or part of said Exceptionally Extended Subsidies to the expenses required in conjunction with their withdrawal from the horse racing business, irrespective of the provisions of Article 23 paragraph 1.

2. In cases provided in the preceding paragraph, prefectures or Designated Municipalities wishing to appropriate said Exceptionally Extended Subsidies to the expenses required in conjunction with their withdrawal from the horse racing business must first consult the Minister for Agriculture, Forestry and Fisheries, attaching a document stating the matters set forth below, and must obtain the Minister's approval, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

- (i) The date of withdrawal from the horse racing business.
- (ii) The period required to undertake administrative work in conjunction with their withdrawal from the horse racing business.
- (iii) The total of expenses required in conjunction with withdrawal from the horse racing business within the period provided in the preceding item.
- (iv) The amount of the Exceptionally Extended Subsidies to be appropriated for any part of the expenses provided in the preceding item.
- (v) Other matters prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

3. Consultation under the provisions of the preceding paragraph must be held within a period of one (1) year after the end of the Exceptional Period.

4. On receiving the consultation provided in paragraph 2 above, the Minister for Agriculture, Forestry and Fisheries shall give the approval provided in said paragraph when deeming it reasonable that Exceptionally Extended Subsidies equal to the amount provided in item (iv) of said paragraph be appropriated for the expenses provided in item (iii) of said paragraph.

5. If prefectures or Designated Municipalities that have withdrawn from the horse racing business and have obtained approval under the provisions of paragraph 2 above wish to implement racing again, they must pay the National Association of Racing an amount equivalent to the Exceptionally Extended Subsidies appropriated for the expenses required in conjunction with their withdrawal from the horse racing business under the provisions of paragraph 1 above, with the addition of an amount calculated at an annual rate of five (5) percent of said amount in accordance with the period from the date when the approval under the provisions of paragraph 2 above was received, until the date of payment thereof.

6. The provisions of Article 23-3 paragraphs 2 to 4 shall apply mutatis mutandis to the provisions of paragraph 2 above.

(Authorization of Horse Racing Revitalization Plans)

**Article 23-7**

1. Prefectures or Designated Municipalities may jointly draw up plans to improve the balance between revenues and expenditures in the horse racing business by implementing measures that contribute to the revitalization of regional racing, such as promoting mutual collaboration in operating horse racing (hereinafter “Horse Racing Revitalization Plan”), as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, and may apply for authorization from the Minister for Agriculture, Forestry and Fisheries.
2. A Horse Racing Revitalization Plan shall prescribe the matters set forth below.
  - (i) The period covered by the Horse Racing Revitalization Plan.
  - (ii) An index showing the degree of improvement in the balance between revenues and expenditures in the horse racing business by each of the prefectures or Designated Municipalities in question due to the implementation of the Horse Racing Revitalization Plan.
  - (iii) Matters related to measures needed to increase the attraction of races held by the prefectures or Designated Municipalities in question, such as adjusting the composition of races or entry conditions among said prefectures or Designated Municipalities, based on coordination or advice by the National Association of Racing.
  - (iv) Matters related to business projects that contribute to the revitalization of regional racing, including the installation of facilities or equipment necessary for the prefectures or Designated Municipalities in question to implement racing separately or jointly.
  - (v) Matters related to councils organized by the prefectures or Designated Municipalities in question in order to have necessary discussions with a view to promoting the implementation of the Horse Racing Revitalization Plan, and other matters necessary to implement the Horse Racing Revitalization Plan.
3. Besides the matters provided in the items of the preceding paragraph, efforts shall be made to determine the targets of the Horse Racing Revitalization Plan and other matters prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.
4. When deeming that a Horse Racing Revitalization Plan subject to an application for authorization under the provisions of paragraph 1 above meets the criteria set forth below, the Minister for Agriculture, Forestry and Fisheries shall authorize the same.
  - (i) That the period covered by the Horse Racing Revitalization Plan is up to five (5) years.



- (ii) That implementing the Horse Racing Revitalization Plan is expected to significantly improve the balance between revenues and expenditures in the horse racing business of the prefectures or Designated Municipalities in question.
- (iii) That, when the Horse Racing Revitalization Plan includes matters related to business undertaken separately by the prefectures or Designated Municipalities in question, said business shall contribute to promoting mutual collaboration in operating horse racing, or to otherwise revitalizing regional racing.

5. When wishing to give the authorization provided in paragraph 1 above, the Minister for Agriculture, Forestry and Fisheries must first consult the opinion of the National Association of Racing.

6. When wishing to state its opinion in cases provided in the preceding paragraph, the National Association of Racing must first obtain a resolution of the Management Committee provided in Article 23–17 paragraph 1.

7. When giving the authorization provided in paragraph 1 above, the Minister for Agriculture, Forestry and Fisheries shall inform the National Association of Racing to that effect without delay.

(Changes to Horse Racing Revitalization Plans, etc.)

#### **Article 23–8**

1. If prefectures or Designated Municipalities that have obtained the authorization provided in paragraph 1 of the preceding Article (referred to in the following paragraph and in Article 23–36 paragraph 1 item (viii) as “Authorized Prefectures, etc.”) wish to change the Horse Racing Revitalization Plan subject to said authorization, they must jointly obtain the authorization of the Minister for Agriculture, Forestry and Fisheries.

2. When deeming that Authorized Prefectures, etc. have not operated the horse racing business in accordance with the Horse Racing Revitalization Plan subject to such authorization (or, when changes have been authorized under the provisions of the preceding paragraph, the Plan following such change; hereinafter “Authorized Horse Racing Revitalization Plan”), the Minister for Agriculture, Forestry and Fisheries may cancel said authorization.

3. The provisions of paragraphs 4 to 7 of the preceding Article shall apply *mutatis mutandis* to the authorization of changes under the provisions of paragraph 1 above, and the provisions of paragraph 7 of said Article to the cancellation of authorization under the provisions of the preceding paragraph.

(Use of Proceeds)

**Article 23-9**

Prefectures shall endeavor to allocate the proceeds from horse racing operated by them to fund the expenditure necessary to promote animal husbandry, enhance social welfare, diffuse medical care, develop education and culture, promote sports, and carry out measures for rehabilitation following a disaster.

(The National Association of Racing)

**Article 23-10**

The purpose of the National Association of Racing shall be to promote fair, impartial and smooth operation of regional racing and to contribute to promoting the improvement and breeding of horses as well as other aspects of animal husbandry.

(Corporate Status)

**Article 23-11**

The National Association of Racing (hereinafter “the Association”) shall be a corporation.

(Offices)

**Article 23-12**

1. The principal office of the Association shall be located in Tokyo.
2. Subsidiary offices of the Association may be located in necessary locations subject to the approval of the Minister for Agriculture, Forestry and Fisheries.

(Registration)

**Article 23-13**

1. The Association must be registered as prescribed by Cabinet Order.
2. Matters that must be registered under the provisions of the preceding paragraph may not be used for purposes of opposing a third party until after the registration.

(Limitation on Use of Name)

**Article 23-14**

A person who is not the Association must not use the name of the National Association of Racing.

(Application of the Act on General Incorporated Associations and General Incorporated Foundations)

**Article 23–15**

The provisions of Article 4 (Address) and Article 78 (Liability to Compensate for Damages Arising from the Acts of Representatives) of the Act on General Incorporated Associations and General Incorporated Foundations (Act No.48 of 2006) shall apply mutatis mutandis to the Association.

(Articles of Incorporation)

**Article 23–16**

1. The Association must prescribe the matters set forth below in its Articles of Incorporation.

- (i) Purpose
- (ii) Name
- (iii) Location of offices
- (iv) Matters related to assets
- (v) Matters related to the Management Committee, including the election and dismissal of Management Committee members
- (vi) Matters related to the Board of Trustees
- (vii) Matters related to officers
- (viii) Matters related to operations and their execution
- (ix) Matters related to finance and accounting
- (x) Method of public notice

2. Changes to the Articles of Incorporation shall not be valid unless authorized by the Minister for Agriculture, Forestry and Fisheries.

(Establishment and Organization of Management Committee)

**Article 23–17**

- 1. The Association shall establish a Management Committee.
- 2. The Management Committee shall consist of no more than nine (9) members.
- 3. The persons set forth below shall serve as Committee members.
  - (i) Heads of prefectures and Designated Municipalities that operate horse racing (referred to in Article 23–19 paragraph 1 as “Prefectures, etc. Engaged in Horse Racing”): No more than seven (7)
  - (ii) Academic experts: No more than two (2)

(Powers of the Management Committee)

**Article 23–18**

In addition to matters prescribed elsewhere in this Act, the matters set forth below shall require a resolution of the Management Committee.

- (i) Changes to the Articles of Incorporation
- (ii) Preparation of and changes to the statement of operational procedures
- (iii) Budgets and financial statements
- (iv) Preparation of and changes to business plans
- (v) Decisions on or changes to policies related to the implementation of operations provided in Article 23–36 paragraph 1 item (v)
- (vi) Other matters prescribed in the Articles of Incorporation

(Members of the Management Committee)

**Article 23–19**

1. Committee members shall be elected by a meeting consisting of the heads of Prefectures, etc. Engaged in Horse Racing (referred to in Article 23–22 as “Meeting”), as prescribed in the Articles of Incorporation.
2. The tenure of Committee members shall be three (3) years, provided however that the tenure of a replacement member shall be the remainder of the predecessor’s tenure.
3. Committee members may be re-elected.
4. When the Committee members provided in Article 23–17 paragraph 3 item (i) cease to be heads of prefectures or Designated Municipalities, or when their prefectures or Designated Municipalities withdraw from the horse racing business, they shall forfeit their positions as Committee members.

(Chairman of the Management Committee)

**Article 23–20**

1. The Management Committee shall elect a Chairman by co-opting from among the members.
2. The Chairman shall supervise the administration of the Management Committee and shall represent the same.
3. If the Chairman is indisposed or absent, a Committee member designated in advance by the Chairman shall fulfil the duties thereof.

(Disqualification of Committee Members)

**Article 23–21**

1. Persons falling under any of the following items may not become Committee members provided in Article 23–17 paragraph 3 item (i).
  - (i) Bankrupts who have not been rehabilitated.
  - (ii) Persons sentenced to imprisonment without hard labor or a heavier punishment, when a period of three (3) years has not elapsed since the execution of the sentence was completed or since the sentence was lifted.
  - (iii) Persons sentenced to a fine for violating the provisions of this Act or the Japan Racing Association Act (Act No.205 of 1954), when a period of three (3) years has not elapsed since the execution of the sentence was completed or since the sentence was lifted.
  - (iv) Persons registered as horse owners in regional racing.
  - (v) Persons whose business is buying or selling goods for the Association, providing facilities or services to the Association, or subcontracting construction work for the Association, and who have a close relationship of business interests with the Association, or, when such a person is a legal entity, the officers thereof (including persons who possesses authority or control equal to the same, irrespective of the title given to said persons).
2. Persons falling under either of the following items may not become Committee members provided in Article 23–17 paragraph 3 item (ii).
  - (i) Persons provided in each item of the preceding paragraph.
  - (ii) Employees of the Government or a local authority (excluding part-time employees).

(Dismissal of Committee Members)

**Article 23–22**

1. When a Committee member has come to correspond to a person who cannot become a Committee member under the provisions of the preceding Article, the Meeting must dismiss said Committee member.
2. When a Committee member has come to fall under either of the items set forth below, or is otherwise deemed unsuitable as a Committee member, as prescribed in the Articles of Incorporation, the Meeting may dismiss said Committee member.
  - (i) When deemed incapable of performing duties due to a mental or physical disorder.
  - (ii) When in breach of duty.

(Status of Committee Members as Public Servants)

### **Article 23–23**

With respect to the application of the Penal Code (Act No.45 of 1907) and other penal regulations, Committee members shall be regarded as employees engaged in public service in accordance with laws and regulations.

(Officers)

### **Article 23–24**

As its officers, the Association shall have one (1) President, one (1) Vice President, no more than five (5) Directors and no more than two (2) Auditors.

(Duties and Powers of Officers)

### **Article 23–25**

1. The President shall represent the Association and supervise its operations.
2. The Vice President shall assist the President in administering the operations of the Association, act on the President's behalf should the President be indisposed, and undertake the duties of the President should the position of President be vacant.
3. The Directors shall assist the President and Vice President in administering the operations of the Association, act on their behalf should the President and Vice President be indisposed, and undertake the duties of the President and Vice President should their positions be vacant, as prescribed by the President.
4. The Auditors shall audit the operations of the Association.
5. The Auditors may, when deeming it necessary based on the result of an audit, submit opinions to the Management Committee, the President, or the Minister for Agriculture, Forestry and Fisheries.

(Appointment and Tenure of Officers)

### **Article 23–26**

1. The President and Auditors shall be appointed by the Management Committee, subject to the approval of the Minister for Agriculture, Forestry and Fisheries.
2. The Vice President and Directors shall be appointed by the President, subject to the approval of the Minister for Agriculture, Forestry and Fisheries.
3. When wishing to appoint the Vice President or Directors under the provisions of the preceding paragraph, the President must seek the consent of the Management Committee.
4. The tenure of the President and Vice President shall be three (3) years and that of the Directors and Auditors shall be two (2) years, provided however that the tenure of a replacement officer shall be the remainder of the predecessor's tenure.

5. The provisions of Article 23–19 paragraph 3 shall apply mutatis mutandis to the officers.

(Disqualification of Officers)

**Article 23–27**

Persons falling under either of the items set forth below may not become officers.

- (i) Persons set forth in each item of Article 23–21 paragraph 1.
- (ii) Employees of the Government or a local authority (excluding part-time employees).

(Dismissal of Officers)

**Article 23–28**

1. When an officer appointed by the Management Committee or the President, respectively, has come to correspond to a person who cannot become an officer under the provisions of the preceding Article, the Management Committee or the President must dismiss said officer.

2. When an officer appointed by the Management Committee or the President, respectively, has come to fall under either of the items set forth below or is otherwise deemed unsuitable as an officer, the Management Committee or the President may dismiss said officer, subject to the approval of the Minister for Agriculture, Forestry and Fisheries.

- (i) When deemed incapable of performing duties due to a mental or physical disorder.
- (ii) When in breach of duty.

3. When wishing to dismiss an officer under the provisions of the preceding paragraph, the President must obtain the consent of the Management Committee.

4. When an officer who was appointed by the Management Committee or the President, respectively, has come to fall under either item of paragraph 2 above, the Minister for Agriculture, Forestry and Fisheries may order the Management Committee or the President to dismiss such officer within a designated period.

5. When the Management Committee violates the order provided in the preceding paragraph, the Minister for Agriculture, Forestry and Fisheries may dismiss the President or Auditors involved in said order.

(Prohibition of Concurrent Posts)

**Article 23–29**

Officers must not become officers of an organization whose purpose is to make profit, or themselves engage in profit-making business.

(Limitation of Representation Rights)

**Article 23–30**

The President shall not possess the right of representation with regard to matters in which the interests of the Association and the President are in conflict. In this case, the Auditors shall represent the Association.

(Election of Agent)

**Article 23–31**

The President may elect, from among the Vice President, the Directors or the employees of the Association, an agent possessing the authority to perform any action in or out of court in connection with the operations of subsidiary offices of the Association.

(Appointment of Employees)

**Article 23–32**

The employees of the Association shall be appointed by the President.

(Status of Officers and Employees as Public Servants)

**Article 23–33**

The provisions of Article 23–23 shall apply mutatis mutandis to the officers and employees of the Association.

(Board of Trustees)

**Article 23–34**

1. A Board of Trustees shall be established in the Association.
2. The Board of Trustees shall investigate and deliberate on important matters concerning the management of the Association’s operations, in response to an inquiry by the President.
3. The President must first consult the opinion of the Board of Trustees regarding the matters set forth below.
  - (i) Changes to the Articles of Incorporation
  - (ii) Preparation of and changes to the statement of operational procedures
  - (iii) Budgets and financial statements
  - (iv) Preparation of and changes to business plans



4. The Board of Trustees may state opinions to the President concerning the management of the Association's operations.

(Trustees)

**Article 23–35**

1. The Board of Trustees shall consist of no more than twelve (12) Trustees.
2. The President shall appoint Trustees from individuals with academic expertise and experience, subject to the approval of the Minister for Agriculture, Forestry and Fisheries.
3. The tenure of Trustees shall be three (3) years, provided however that the tenure of a replacement Trustee shall be the remainder of the predecessor's tenure.
4. The provisions of Article 23–19 paragraph 3 and Article 23–28 paragraph 2 shall apply mutatis mutandis to Trustees.

(Scope of Operations)

**Article 23–36**

1. The Association shall undertake the operations set forth below in order to achieve the purpose provided in Article 23–10.
  - (i) Register owners and horses.
  - (ii) License trainers and jockeys.
  - (iii) Develop or train trainers and jockeys.
  - (iv) Develop or train stewards and other persons who will undertake the administration of regional racing, or dispatch such persons or mediate for them upon request from prefectures, Designated Municipalities or entrusted municipalities.
  - (v) Make necessary adjustments among prefectures or Designated Municipalities or give necessary advice to prefectures or Designated Municipalities with respect to the number of race meets, the number of days in a race meet, the dates of race meets, the composition of races and other matters related to implementing racing.
  - (vi) Install or develop facilities or equipment for the horse racing business used jointly by prefectures or Designated Municipalities (referred to in Article 23–38 paragraph 2 item (iv) as "Installation, etc.").
  - (vii) Conduct surveys and research on regional racing.
  - (viii) Subsidize the expenses for business to be undertaken by Authorized Prefectures, etc. based on an Authorized Horse Racing Revitalization Plan.
  - (ix) Subsidize the expenses for business projects that contribute to promoting the

improvement and breeding of horses as well as other aspects of animal husbandry.

- (x) Receive subsidies under the provisions of Article 23 paragraph 1.
- (xi) Undertake operations incidental to the operations provided in each of the preceding items.
- (xii) Undertake operations that are necessary to achieve the purpose provided in Article 23–10, besides those provided in each of the preceding items.

2. Besides the operations provided in the preceding paragraph, the Association may undertake the administration of horse racing entrusted under the provisions of Article 21.

3. When wishing to undertake the operations provided in paragraph 1 item (xii) above or those provided in the preceding paragraph, the Association must obtain the approval of the Minister for Agriculture, Forestry and Fisheries.

(Appropriate Implementation of Subsidies)

**Article 23–37**

1. The Association must fairly and efficiently implement subsidies under the provisions of paragraph 1 item (ix) of the preceding Article (referred to in the following paragraph as “Subsidization”).
2. A business operator subject to Subsidization by the Association must carry out such business in good faith in accordance with a statement of operational procedures, authorized as provided in paragraph 1 of the following Article, and in accordance with the purpose of such Subsidization.

(Statement of Operational Procedures)

**Article 23–38**

1. On starting operations, the Association must prepare a statement of operational procedures and receive the approval of the Minister for Agriculture, Forestry and Fisheries. The same shall apply when wishing to alter the statement of operational procedures.
2. The statement of operational procedures provided in the preceding paragraph must state the matters set forth below.
  - (i) Matters related to the registration of owners and horses.
  - (ii) Matters related to the licensing of trainers and jockeys.
  - (iii) Matters related to the operations provided in Article 23–36 paragraph 1 item (v).
  - (iv) The scope of facilities or equipment subject to Installation, etc., pertaining to

the operations provided in Article 23–36 paragraph 1 item (vi), and the method of said Installation, etc.

- (v) The standards for selecting business projects subject to subsidization pertaining to the operations provided in Article 23–36 paragraph 1 items (viii) and (ix), and the method of said subsidization, including procedures for applying and deciding said subsidization.
- (vi) When the operations provided in Article 23–36 paragraph 2 are undertaken, matters related to said operations.
- (vii) Other matters prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Business Year)

**Article 23–39**

The business year of the Association shall commence on April 1 each year and end on March 31 of the following year.

(Approval of the Budget, etc.)

**Article 23–40**

The Association must prepare a budget and business plan for each business year and receive the approval of the Minister for Agriculture, Forestry and Fisheries before the start of the business year in question. The same shall apply when wishing to change the same.

(Financial Statements, etc.)

**Article 23–41**

1. The Association must prepare an inventory, a balance sheet and a statement of profit and loss (hereafter in this Article “Financial Statements”) for each business year, submit them to the Minister for Agriculture, Forestry and Fisheries no more than three (3) months after the end of the business year in question, and receive the approval thereof.
2. When submitting Financial Statements to the Minister for Agriculture, Forestry and Fisheries under the provisions of the preceding paragraph, the Association must add thereto a business report for the business year in question, a statement of accounts prepared in accordance with budget categories, and the written opinion of the Auditors concerning the Financial Statements and the statement of accounts.
3. On receiving the approval of the Minister for Agriculture, Forestry and Fisheries under the provisions of paragraph 1 above, the Association must publish the Financial

Statements or a summary thereof in the Official Gazette without delay, file the Financial Statements and supporting schedules as well as the business report, the statement of accounts and the written opinion of the Auditors provided in the preceding paragraph in each of its offices, and make them available for public inspection for a period of time prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Use of Subsidies)

**Article 23–42**

The Association must not allocate and invest or use money corresponding to amounts subsidized as Item (i) Subsidies (including amounts corresponding to revenues derived from the investment or use thereof) to expenses required for operations other than the operations set forth in each of the following items.

- (i) Operations provided in Article 23–36 paragraph 1 item (ix) and other operations necessary for contributing to the promotion of animal husbandry.
- (ii) Operations provided in Article 23–36 paragraph 1 item (x) (limited to those pertaining to Item (i) Subsidies).
- (iii) Operations incidental to the business provided in the preceding two items.

(Separate Accounting)

**Article 23–43**

The Association must separate the accounting set forth in each of the following items from other accounting, and must organize the same by establishing accounts as prescribed in each of said items, in accordance with the categories in each of said items.

- (i) Accounting related to the operations provided in each item of the preceding Article: Animal Husbandry Promotion Account
- (ii) Accounting related to the operations provided in Article 23–36 paragraph 1 items (vi) and (viii) as well as operations incidental thereto: Horse Racing Revitalization Account

(Entrustment to Ordinances of the Ministry of Agriculture, Forestry and Fisheries)

**Article 23–44**

Besides those provided in this Act, necessary matters related to the finances and accounting of this Association shall be prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Supervision)

#### **Article 23–45**

1. The Association shall be supervised by the Minister for Agriculture, Forestry and Fisheries.
2. When deeming it necessary for the purpose of enforcing this Act, the Minister for Agriculture, Forestry and Fisheries may issue orders to the Association as necessary for supervision with respect to its operations.

(Dissolution)

#### **Article 23–46**

The dissolution of the Association shall be prescribed by a separate Act.

### **Chapter 4      Miscellaneous Provisions**

(Maintenance of Order, etc.)

#### **Article 24**

Besides those stipulated separately in this Act, matters necessary to maintain order inside racecourses and otherwise ensure fair and impartial horse racing shall be prescribed by Cabinet Order.

(Suspension of Horse Racing)

#### **Article 24-2**

1. If the Japan Racing Association, prefectures or Designated Municipalities operate horse racing in violation of this Act or an order issued under this Act, or, if entrusted with the administration of horse racing under the provisions of Article 4 or Article 21, undertake the administration of horse racing as the execution of administrative work pertaining to such entrustment in violation of this Act or an order issued under this Act, the Minister for Agriculture, Forestry and Fisheries may order the Japan Racing Association, said prefectures or said Designated Municipalities to suspend horse racing or the execution of the administration of horse racing pertaining to said entrustment, or order such matters in combination, in accordance with necessity.
2. If municipalities (other than Designated Municipalities) or private individuals entrusted with the administration of horse racing under the provisions of Articles 4 or 21 (hereinafter “Persons Entrusted with the Administration of Horse Racing”) or the Association (hereinafter “Persons Entrusted with the Administration of Horse Racing, etc.”) undertake the administration of horse racing as the execution of administrative work pertaining to such entrustment in violation of this Act or an order issued under this

Act, the Minister for Agriculture, Forestry and Fisheries may order such Persons Entrusted with the Administration of Horse Racing, etc. to suspend the execution of the administration of horse racing pertaining to such entrustment.

3. If Designated Municipalities operate regional racing in violation of this Act or an order issued under this Act, prefectural governors may order said Designated Municipalities to suspend regional racing, subject to the approval of the Minister for Agriculture, Forestry and Fisheries.

(Supervision of Horse Racing, etc.)

#### **Article 25**

1. Within the limits necessary for the enforcement of this Act, the Minister for Agriculture, Forestry and Fisheries may instruct prefectures, Designated Municipalities, Persons Entrusted with the Administration of Horse Racing, or the Association, and prefectural governors may instruct Designated Municipalities, to report on the implementation and closure of racing, accounting and any other matters deemed necessary, or may have their employees enter the offices, racecourses or other facilities of such persons to inspect the state of operations or books, documents or any other necessary properties.

2. Prefectural governors must report to the Minister for Agriculture, Forestry, and Fisheries on the results of reports or inspections obtained under the provisions of the preceding paragraph.

3. If necessary when racing is being implemented, the Minister for Agriculture, Forestry and Fisheries (in connection with central and regional racing) and prefectural governors (in connection with racing implemented by Designated Municipalities) may have their employees enter the racecourse or the offices or other facilities connected with said racing, and instruct the Japan Racing Association, prefectures, Designated Municipalities, or Persons Entrusted with the Administration of Horse Racing, etc., in matters necessary to maintain order inside the racecourse and otherwise ensure the fairness and impartiality of such horse racing.

4. In cases of entry under the provisions of paragraph 1 above or the preceding paragraph, employees must carry proof of their status and present the same to relevant persons.

5. The authority for entry inspections under the provisions of paragraph 1 above must not be construed as having been permitted for the purpose of criminal investigation.

(Audits by the Board of Audit)

## **Article 26**

1. The Board of Audit may, when deeming it necessary, inspect the accounts of prefectures or Designated Municipalities related to regional racing.
2. When conducting inspections under the preceding paragraph, the Board of Audit shall notify relevant persons to that effect.

(Prohibition of Evasion)

## **Article 27**

Irrespective of the name used, no person may commit any act in evasion of the provisions of Article 1–2 paragraph 6.

(Restrictions on Purchase of Pari-Mutuel Betting Tickets, etc.)

## **Article 28**

Pari-mutuel betting tickets must not be purchased by or transferred to minors.

## **Article 29**

Persons specified in the items set forth below must not purchase or transfer pari-mutuel betting tickets for races in racing specified in each of said items.

- (i) Government employees connected to horse racing: Races in central racing and races in regional racing, as well as races in overseas racing for which the Japan Racing Association, prefectures or Designated Municipalities sell pari-mutuel betting tickets.
- (ii) Officers and employees of the Japan Racing Association: Races in central racing and races in overseas racing for which the Japan Racing Association sells pari-mutuel betting tickets.
- (iii) Officers and employees of the Japan Racing Association when it undertakes administration related to the implementation of racing under entrustment provided in Article 21, who are involved in administrative work subject to said entrustment: Races in racing pertaining to said entrustment.
- (iv) Employees of prefectures, Designated Municipalities, or partial affairs associations or wide area unions provided in Article 284 paragraph 1 of the Local Autonomy Act (Act No.67 of 1947) (hereafter in this item “prefectures, etc.”), who are involved in racing implemented by said prefectures, etc.: Races in all regional racing and races in overseas racing for which said prefectures, etc. sell pari-mutuel betting tickets.
- (v) Employees of prefectures, municipalities, partial affairs associations or wide

area unions provided in Article 284 paragraph 1 of the Local Autonomy Act that undertake administration related to the implementation of racing under entrustment provided in Article 4 or Article 21, who are involved in administrative work subject to said entrustment: Races in racing pertaining said entrustment.

- (vi) Officers and employees of the Association: Races in all regional racing and races in overseas racing for which prefectures or Designated Municipalities sell pari-mutuel betting tickets.
- (vii) Trainers (including persons who rear racehorses; the same shall apply hereinafter), jockeys, and persons who assist in the rearing or training of racehorses in connection with races by central racing: Races in central racing.
- (viii) Trainers, jockeys, and persons who assist in the rearing or training of racehorses in connection with regional racing: Races in all regional racing.
- (ix) Trainers, jockeys, and persons who assist in the rearing or training of racehorses in connection with races in overseas racing for which the Japan Racing Association, prefectures or Designated Municipalities sell pari-mutuel betting tickets: Races in said overseas racing.
- (x) Persons engaged in the administration of other racing: Races in said racing.

(Exceptions to Acts Resembling Pari-Mutuel Betting)

#### **Article 29-2**

1. Employees of the Japan Racing Association (with respect to central racing and races in overseas racing for which the Japan Racing Association sells pari-mutuel betting tickets) and employees of prefectures or Designated Municipalities (with respect to regional racing and races in overseas racing for which said prefectures or said Designated Municipalities sell pari-mutuel betting tickets) may undertake acts resembling pari-mutuel betting, subject to the approval of the Minister for Agriculture, Forestry and Fisheries, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.
2. The Minister for Agriculture, Forestry and Fisheries must not give the approval provided in the preceding paragraph except when deeming it necessary in order to collect information on acts that violate the provisions of Article 30 (limited to parts pertaining to item (iii)).

(Delegation of Authority)

#### **Article 29-3**



Some of the authority of the Minister for Agriculture, Forestry and Fisheries provided in this Act may be delegated to the Director-General of a Regional Agricultural Administration Office or the Director-General of the Hokkaido Agricultural Administration Office, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

## **Chapter 5 Penal Provisions**

### **Article 30**

Persons falling under any one of the items set forth below shall be punished with imprisonment with hard labor of up to five (5) years or a fine of up to five million (5,000,000) yen.

- (i) Persons who violate the provisions of Article 1–2 paragraph 6.
- (ii) Persons who violate the provisions of Article 27.
- (iii) Persons who attempt to profit financially by having persons perform an act resembling pari-mutuel betting in connection with races in central racing, races in regional racing, or races in overseas racing for which the Japan Racing Association, prefectures or Designated Municipalities sell pari-mutuel betting tickets.

### **Article 31**

Persons falling under any of the items set forth below shall be punished with imprisonment with hard labor of up to three (3) years or a fine of up to three million (3,000,000) yen.

- (i) Persons who accept an entrustment to purchase pari-mutuel betting tickets as a business, or who accept an entrustment to purchase pari-mutuel betting tickets from an unspecified large number of persons for the purpose of profiting financially.
- (ii) Persons who use a drug or medicine that temporarily stimulates or depresses the racing performance of a horse declared to run.
- (iii) Jockeys who prevent a horse from displaying its full capabilities in a race for the purpose of profiting financially or enabling others to do so.

### **Article 32**

According to the circumstances, a combination of imprisonment with hard labor and a

fine may be imposed on any person who commits an offense under the preceding two Articles.

#### **Article 32-2**

Any trainer, jockey, or person who assists with rearing or training racehorses, who receives, demands or promises a bribe in connection with a race shall be punished with imprisonment with hard labor of up to three (3) years. If committing a dishonest act as a result thereof, or failing to take appropriate rectifying measures, the same shall be punished with imprisonment with hard labor of up to five (5) years.

#### **Article 32-3**

In cases provided in the preceding Article, the received bribe shall be confiscated. If it is not possible to confiscate all or part of the bribe, a sum of equivalent value shall be collected.

#### **Article 32-4**

1. Persons who provide, solicit or promise the bribe provided in Article 32-2 shall be punished with imprisonment with hard labor of up to three (3) years or a fine of up to three million (3,000,000) yen.
2. Persons who surrender themselves after committing an offense provided in the preceding paragraph may have their punishment reduced or remitted.

#### **Article 32-5**

Persons who commit acts that damage the fairness and impartiality of horse racing through deception or coercion shall be punished with imprisonment with hard labor of up to three (3) years or a fine of up to two million (2,000,000) yen.

#### **Article 32-6**

Persons who conspire to operate racing in a manner that damages the fairness and impartiality of horse racing shall be punished with imprisonment with hard labor of up to two (2) years or a fine of up to one million (1,000,000) yen.

#### **Article 32-7**

If there has been an act in violation of the provisions of Article 23-42, the officer or employee of the Association who committed the violation shall be punished with imprisonment with hard labor of up to one (1) year or a fine of up to one million

(1,000,000) yen.

#### **Article 32-8**

If a report under the provisions of Article 25 paragraph 1 is not made or a false report is made, or an inspection under the provisions of said paragraph is refused, obstructed or evaded, the Persons Entrusted with the Administration of Horse Racing (limited to private individuals) or officer or employee of the Association who committed the violation shall be punished with a fine of up to three hundred thousand (300,000) yen.

#### **Article 32-9**

In cases falling under any of the items set forth below, the officer or employee of the Association who committed the violation shall be punished with a penalty of up to two hundred thousand (200,000) yen.

- (i) When authorization or approval must be obtained from the Minister for Agriculture, Forestry and Fisheries under the provisions of this Act, but said authorization or approval has not been obtained.
- (ii) When registration has been neglected in violation of the provisions of the Cabinet Order provided in Article 23-13 paragraph 1.
- (iii) When operations other than those provided in Article 23-36 paragraphs 1 and 2 have been undertaken.
- (iv) When there has been a violation of the provisions of Article 23-43.
- (v) When there has been a violation of an order by the Minister for Agriculture, Forestry and Fisheries under the provisions of Article 23-45 paragraph 2.

#### **Article 32-10**

Persons who violate the provisions of Article 23-14 shall be punished with a penalty of up to one hundred thousand (100,000) yen.

#### **Article 33**

Persons who fall under either of the items set forth below shall be punished with a fine of up to one million (1,000,000) yen.

- (i) Persons who violate the provisions of Article 29.
- (ii) Persons who commit an act resembling pari-mutuel betting in cases provided in Article 30 item (iii) (except when permission has been obtained under the provisions of Article 29-2 paragraph 1).

### **Article 34**

If there has been an act in violation of the provisions of Article 28 or Article 29, a person who becomes the other party to such violation (or, when the other party is the seller, a person who committed an act pertaining to such purchase), despite knowing that the person who committed said act is prohibited from purchasing or receiving pari-mutuel betting tickets under these provisions, shall be punished with a fine of up to five hundred thousand (500,000) yen.

## **Supplementary Provisions**

### **Article 1**

The date of enforcement of this Act (July 19th, 1948) shall be prescribed by Cabinet Order within a period not exceeding sixty (60) days from the date of its promulgation.

### **Article 2**

1. The Horse Racing Act (Act No.47 of 1923), the Act Concerning Temporary Exceptions to the Horse Racing Act (Act No.38 of 1939), the Regional Horse Racing Act (Act No.57 of 1946) and the Betting Tax Act (Act No.60 of 1942) shall be abolished.
2. All betting tax that was payable or was to be payable by persons holding race meets before the abolition of the Betting Tax Act shall remain in accordance with existing practice.
3. The application of penal provisions against acts committed before the abolition of laws provided in paragraph 1 above shall remain in accordance with existing practice.

### **Article 3**

1. The government may succeed to the assets and liabilities of the Japan Racing Society and the Central Equestrian Association (meaning those that obtained establishment licenses on February 9th, 1946; the same shall apply hereinafter).
2. Prefectures may succeed to the assets and liabilities of the Federation of Racing Cooperative Associations (including Racing Cooperative Associations based in prefectures as their areas; the same shall apply hereinafter).
3. If prefectures succeed to the assets and liabilities of the Federation of Racing Cooperative Associations under the provisions of the preceding paragraph, Agricultural Cooperative Associations and the Federation of Agricultural Cooperative Associations shall take precedence over other parties in relation to the purchase of said assets (excluding assets necessary for horse racing), as prescribed by Cabinet Order.

4. If the government or prefectures succeed to the assets and liabilities of the Japan Racing Association and Japan Racing Society or the Federation of Racing Cooperative Associations under the provisions of paragraphs 1 or 2 above, the Minister of Agriculture and Forestry or the prefectural governor in question shall register the dissolution of such bodies.

(Exceptions Related to Special Wards)

#### **Article 4**

If a racecourse exists within an area in which there is a special ward, other special wards besides that in which said racecourse exists shall provisionally be regarded as municipalities provided in Article 1–2 paragraph 2 item (ii).

(Issuance of Payments, etc.)

#### **Article 5**

1. The Japan Racing Association may, besides the operations provided in Article 19 of the Japan Racing Association Act, provisionally issue the amounts set forth in the following items to the persons set forth in said items as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, subject to prior authorization by the Minister of Agriculture, Forestry and Fisheries.

- (i) An amount equivalent to a sum obtained by allocating, pro rata to each pari-mutuel betting ticket for a winning horse, an amount obtained by multiplying the sum of net turnover from sales of pari-mutuel betting tickets for each type of pari-mutuel betting method for a given race (or, when there is more than one (1) winning horse, said sum divided by the number of winning horses) by a ratio within a range not exceeding a ratio prescribed by Cabinet Order (hereinafter in this Article “Item (i) Payments”): Holders of winning tickets in said pari-mutuel betting
- (ii) If the payout sum in Article 8 paragraph 1 is equal to or lower than the face value of a pari-mutuel betting ticket (including cases in which it is equal to the face value of a pari-mutuel betting ticket as a result of rounding down of fractions as provided in Article 10 paragraph 1), an amount equivalent to one-tenth (1/10) of said face value with regard to each pari-mutuel betting ticket for said winning horse (hereinafter in this Article “Item (ii) Payments”): Holders of winning tickets in said pari-mutuel betting

2. If there is a fraction of less than one (1) yen in the amount calculated under the provisions of item (i) of the preceding paragraph when issuing Item (i) Payments, said

fraction shall be rounded down.

3. Item (ii) Payments must not be issued when the amount obtained by adding the total amount of payouts for each type of pari-mutuel betting method subject to issuance of said Item (ii) Payments to the total amount of Item (ii) Payments for each type of said pari-mutuel betting method exceeds the net turnover from sales of pari-mutuel betting tickets for each type of said pari-mutuel betting method.

4. When issuing Item (i) Payments or Item (ii) Payments, claim rights pertaining to said Item (i) Payments or Item (ii) Payments shall lapse by prescription if not exercised within sixty (60) days.

5. When the operations provided in paragraph 1 are undertaken under the provisions of said paragraph, “Article 19 paragraph 3 and paragraph 4” in Article 29–2 paragraphs 1 and 5 of the Japan Racing Association Act shall be read as “Article 19 paragraphs 3 and 4 as well as Supplementary Provisions Article 5 paragraph 1 of the Horse Racing Act”, and “Article 19” in Article 40 item (iii) of said Act shall be read as “Article 19 of the Supplementary Provisions Article 5 paragraph 1 of the Horse Racing Act”.

## **Article 6**

1. Prefectures or Designated Municipalities may provisionally, when it is deemed to cause no obstruction to the smooth operation of horse racing considering the balance between revenues and expenditures in their horse racing business, issue the amounts set forth in the following items to the persons set forth in said items, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, subject to prior authorization by the Minister of Agriculture, Forestry and Fisheries.

- (i) An amount equivalent to a sum obtained by allocating, pro rata to each pari-mutuel betting ticket for a winning horse, an amount obtained by multiplying the sum of net turnover from sales of pari-mutuel betting tickets for each type of pari-mutuel betting method for a given race (or, when there is more than one (1) winning horse, said sum divided by the number of winning horses) by a ratio within a range not exceeding a ratio prescribed by Cabinet Order (referred to in the following paragraph as “Item (i) Payments”): Holders of winning tickets in said pari-mutuel betting
- (ii) If the payout sum in Article 8 paragraph 1 as applied mutatis mutandis in Article 22 is equal to or lower than the face value of a pari-mutuel betting ticket, an amount equivalent to one-tenth (1/10) of said face value with regard to each pari-mutuel betting ticket for said winning horse (referred to in the following paragraph as “Item (ii) Payments”): Holders of winning tickets in

said pari-mutuel betting

2. The provisions of paragraph 3 of the preceding Article shall apply mutatis mutandis to Item (ii) Payments, and those of paragraph 4 of said Article to Item (i) Payments and Item (ii) Payments, respectively.

(Reimbursement to Prefectures or Designated Municipalities Implementing Specific Business Balance Improvement Measures)

#### **Article 7**

1. When the Minister of Agriculture, Forestry and Fisheries, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries, deems that, because there is a marked imbalance between revenues and expenditures in the horse racing business or it is expected that there will definitely be a marked imbalance in the same, it will be difficult for a prefecture or Designated Municipality to improve said balance between revenues and expenditures in its horse racing business using methods other than by implementing those prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries as measures designed to refurbish racecourses or otherwise improve the balance between revenues and expenditures in the horse racing business (hereinafter in this paragraph “Specific Business Balance Improvement Measures”), said prefecture or Designated Municipality may, when it has implemented Specific Business Balance Improvement Measures in each fiscal year between 2008 and 2017, obtain the authorization of the Minister of Agriculture, Forestry and Fisheries in the fiscal year following those in which it implemented said Specific Business Balance Improvement Measures (referred to in the following paragraph as “Years of Implementation”) regarding the amount of expenses required for said Specific Business Balance Improvement Measures, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

2. On receiving a request from a prefecture or Designated Municipality authorized under the preceding paragraph (hereafter in this paragraph “Authorized Prefecture, etc.”), the Association must reimburse, of Item (i) Subsidies pertaining to racing implemented by said Authorized Prefecture, etc., in the Years of Implementation, an amount equivalent to the sum authorized under the preceding paragraph (or, if said sum exceeds one-third (1/3) of the total of Item (i) Subsidies pertaining to racing implemented by said Authorized Prefecture, etc., in the Years of Implementation, one-third (1/3) of said total), as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Securing Funds Needed for Operations Undertaken by the Association)

## **Article 8**

1. Irrespective of the provisions of Article 23–42, the Association may, for the period between fiscal years 2005 and 2017 only, carry over amounts approved by the Minister of Agriculture, Forestry and Fisheries from the Animal Husbandry Promotion Account to the Horse Racing Revitalization Account in order to fund the expenditure needed for the operations provided in Article 23–36 paragraph 1 items (vi) and (viii), as well as operations incidental to these.

2. To fund the expenditure needed for the following operations undertaken by the Association, the Japan Racing Association shall, for the period between business years 2005 and 2017 only, issue amounts prescribed respectively by the Minister of Agriculture, Forestry and Fisheries from the Special Promotion Fund provided in Article 29–2 paragraph 1 of the Japan Racing Association Act to the Association, irrespective of the provisions of paragraph 5 of said Article.

- (i) Operations provided in Article 23–36 paragraph 1 items (vi) and (viii).
- (ii) Racehorse breeding promotion operations (meaning operations that assist with the expenditure incurred by business projects that aim to contribute to promoting the breeding of racehorses, undertaken in response to withdrawal from regional racing business, implementation of Authorized Horse Racing Revitalization Plans, and other changes in the circumstances surrounding regional racing; the same shall apply in the following Article).

(Accounts Related to Racehorse Breeding Promotion Operations)

## **Article 9**

1. Irrespective of the provisions of Article 23–43, the Association must separate accounting for racehorse breeding promotion operations and other operations incidental thereto from other accounting, and organize the same by setting up a special account (referred to in the next paragraph and in paragraph 3 as “Racehorse Breeding Promotion Account”) for a period until a deadline prescribed by Cabinet Order.

2. If a Racehorse Breeding Promotion Account has been set up under the provisions of the preceding paragraph, “operations” in Article 23–43 item (i) shall be read as “operations (excluding racehorse breeding promotion operations and other operations incidental thereto)”, and “Article 23–43” in Article 32–9 item (iv) as “Article 23–43 or Supplementary Provisions Article 9 paragraph 1”.

3. The Association shall close the Racehorse Breeding Promotion Account on the day after the deadline prescribed by Cabinet Order under paragraph 1, and upon such closure, shall transfer assets and liabilities belonging to the Racehorse Breeding Promotion



Account to the Animal Husbandry Promotion Account.

(Exemptions from Application of the Act for Establishment of the Ministry of Internal Affairs and Communications)

**Article 10**

After the enforcement of the Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act (Act No.76 of 2007), the provisions of Article 4 item (xv) of the Act for Establishment of the Ministry of Internal Affairs and Communications (Act No.91 of 1999) as well as the provisions of items (xix) and (xxi) of said Article (excluding parts pertaining to administrative work connected with the operations provided in item (xix) d. of said Article) shall not apply to the Association.

**Supplementary Provisions** (Act No.155 of May 31st, 1949)

This Act shall come into force on the date of enforcement (June 1st, 1949) of the Act for Establishment of the Ministry of Agriculture and Forestry (Act No.153 of 1949).

**Supplementary Provisions** (Act No.197 of June 6th, 1949)

This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.198 of June 6th, 1949)

1. This Act shall come into force as of the date of promulgation.
2. Persons who are already registered as owners on the date of enforcement of this Act and who fall under Article 13 item (iii) shall be removed from the register.
3. Part of the Act Concerning the Special Account for State-Operated Horse Racing (Act No.42 of 1949) shall be amended as follows.

“Article 12 paragraph 2 and paragraph 4” in Article 4 shall be amended to “Article 12 paragraph 5”.

4. The application of penal provisions against acts committed before the enforcement of this Act shall remain in accordance with existing practice.

**Supplementary Provisions** (Act No.275 of December 17th, 1949)

This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.210 of May 30th, 1950 (extract))

1. This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.216 of May 31st, 1950)

This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.259 of December 12th, 1950)

1. This Act shall come into force on the date when ten (10) days have passed from the date of promulgation.
2. On the application to regional racing of the amended provisions of Article 9 and Appendix No.2 of the Horse Racing Act as applied mutatis mutandis in Article 22 of said Act, prefectures or Designated Municipalities may remain in accordance with existing practice until December 31st, 1951, as prescribed in ordinances.

**Supplementary Provisions** (Act No.294 of December 21st, 1950)

This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.141 of April 9th, 1951)

This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.156 of May 22nd, 1951)

1. This Act shall come into force as of the date of promulgation.
2. Municipalities designated under the provisions of Article 1 paragraph 1 of the Horse Racing Act before amendment shall, on the date of enforcement of this Act, be considered to have been designated under the provisions of Article 1 paragraph 1 item (i) of said Act after amendment.

**Supplementary Provisions** (Act No.262 of July 31st, 1952 (extract))

1. This Act shall come into force on the date of enforcement of the Autonomy Agency Establishment Act (Act No.261 of 1952) (August 1st, 1952).

**Supplementary Provisions** (Act No.213 of August 15th, 1953 (extract))

1. This Act shall come into force on September 1st, 1953.

**Supplementary Provisions** (Act No.95 of May 13th, 1954 (extract))

(Date of Enforcement)

1. This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.205 of July 1st, 1954 (extract))

(Date of Enforcement)

1. This Act shall come into force on a date before March 31st, 1955, as prescribed by Cabinet Order (September 16th, 1954).

(Transitional Provisions)

13. Registrations already made upon enforcement of this Act under the provisions of Articles 13 to 15 of the Horse Racing Act before amendment shall be considered to have been made based on an equivalent provision in said Act after amendment.

14. Licenses which, upon enforcement of this Act, have already been obtained under the provisions of Article 16 of the Horse Racing Act before amendment shall, during their period of validity, be considered to have been obtained under an equivalent provision in said Act after amendment.

15. The application of penal provisions against acts committed before amendment of the Horse Racing Act under the provisions of Supplementary Provisions paragraph 12 shall remain in accordance with existing practice.

(Exceptions to the Act Concerning the Special Account for State-Operated Horse Racing)

16. On the application of provisions of the Act Concerning the Special Account for State-Operated Horse Racing (Act No.42 of 1949) in fiscal year 1954, besides those provided in Article 6 of said Act, treasury payments from the Racing Society under the provisions of Article 27 shall be used as revenues in the operating account of the Special Account for State-Operated Horse Racing, the expenses required for supervision of central racing shall be used as the disbursements from said account, and “supervision of regional racing” in Article 7 paragraph 1 of said Act shall be read as “supervision of central racing and regional racing”.

**Supplementary Provisions** (Act No.21 of June 14th, 1955)

This Act shall come into force on the date when one (1) month has passed from the date of promulgation.

**Supplementary Provisions** (Act No.12 of March 24th, 1958 (extract))

1. This Act shall come into force on a date prescribed by Cabinet Order within thirty (30) days from the date of promulgation (April 1st, 1958).

**Supplementary Provisions** (Act No.113 of June 30th, 1960 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force on July 1st, 1960.

**Supplementary Provisions** (Act No.83 of April 20th, 1962)

(Date of Enforcement)

**Article 1**

This Act shall come into force on a date prescribed by Cabinet Order within a range not exceeding nine (9) months from the date of promulgation (August 1st, 1962), provided however that the provisions of Supplementary Provisions Articles 2 to 6 shall come into force on the date of promulgation.

(Establishment of the National Association of Racing)

**Article 2**

1. The Minister of Agriculture and Forestry shall nominate persons to be the Chairman, Vice Chairman or Auditor of the National Association of Racing (hereinafter “the Association”).
2. Persons nominated to be the Chairman, Vice Chairman or Auditor under the provisions of the preceding paragraph shall be considered to have been appointed as Chairman, Vice Chairman or Auditor, respectively, under the provisions of the Horse Racing Act when the Association comes into existence.

**Article 3**

The Minister of Agriculture and Forestry shall order members of the Establishment Committee to process administrative work related to the establishment of the Association.

**Article 4**

After completing preparations for the establishment of the Association, members of the Establishment Committee must hand over their administrative work to the person nominated to be the Chairman under the provisions of Supplementary Provisions Article 2 paragraph 1.

## **Article 5**

The person nominated to be the Chairman under the provisions of Supplementary Provisions Article 2 paragraph 1 must, after taking over administrative work under the provisions of the preceding Article, register the establishment without delay, as prescribed by Cabinet Order.

## **Article 6**

The Association shall come into existence upon the registration of establishment under the provisions of the preceding Article.

(Transitional Provisions)

## **Article 7**

Upon enforcement of this Act, municipalities that are already designated under the provisions of Article 1 paragraph 1 before amendment shall, until March 31st, 1968, be considered to have been designated under the provisions of Article 1 paragraph 2 after amendment.

Act No.22 of March 31st, 1965 (amendment under the Act to Amend Part of the Horse Racing Act)

## **Article 8**

The registration of owners or horses or the licensing of jockeys undertaken by prefectures or associations of prefectures before the enforcement of this Act under the provisions of Article 13 paragraph 1, Article 14 or Article 16 before amendment as applied mutatis mutandis in Article 22 before amendment shall, when already valid upon enforcement of this Act, respectively be considered to have been undertaken by the Association under the provisions of Article 13 paragraph 1, Article 14 or Article 16 after amendment as applied mutatis mutandis in Article 22 after amendment, provided however that this shall not apply to the licensing of jockeys when the period of validity of the existing license has elapsed.

## **Article 9**

Prefectures or associations of prefectures that have previously undertaken the registration or licensing provided in the preceding Article shall, without delay after the enforcement of this Act, hand over ledgers and other necessary documents concerning registration or licensing to the Association.

**Article 10**

In central racing and regional racing, races due to be held after the enforcement of this Act in race meets whose first day fell before the enforcement of this Act shall remain in accordance with existing practice.

**Article 11**

In regional racing, the provisions of Article 23–2 after amendment shall not apply to races in race meets whose first day fell before the enforcement of this Act.

**Article 12**

1. Any person who is already using the name of the National Association of Racing upon enforcement of this Act must change said name within one (1) year after the enforcement of this Act.
2. The provisions of Article 23–8 after amendment shall not apply to persons provided in the preceding paragraph within the period provided in said paragraph.

**Article 13**

1. The first business year of the Association shall commence on the date of its coming into existence and end on March 31st, 1963, irrespective of the provisions of Article 23–24 after amendment.
2. With respect to the budget and business plan of the Association in the first business year, “before the start of the business year in question” in Article 23–25 paragraph 1 after amendment shall be read as “without delay after the establishment of the Association”.

**Article 14**

The application of penal provisions against acts committed before the enforcement of this Act shall remain in accordance with existing practice.

(Partial Amendment of the Registration Tax Act)

**Article 15**

The Registration Tax Act (Act No.27 of 1896) shall be partially amended as follows. In Article 19 item (vii), “, the National Association of Racing” shall be added after “the Japan Racing Association Act”, and “, the Horse Racing Act” after “the Japan Racing Association Act”.

(Partial Amendment of the Income Tax Act)

**Article 16**

The Income Tax Act (Act No.27 of 1947) shall be partially amended as follows. In Article 3 paragraph 1 item (x), “and the Japan Racing Association” shall be amended to “, the Japan Racing Association and the National Association of Racing”.

(Partial Amendment of the Corporation Tax Act)

**Article 17**

The Corporation Tax Act (Act No.28 of 1947) shall be partially amended as follows. In Article 5 paragraph 1 item (vi), “, the National Association of Racing” shall be added after “the Northern Association”.

(Partial Amendment of the Local Tax Act)

**Article 18**

The Local Tax Act (Act No.226 of 1950) shall be partially amended as follows. In Article 72–5 paragraph 1 item (vi) “, the National Association of Racing” shall be added after “the Northern Association”.

**Supplementary Provisions** (Act No.22 of March 31st, 1965)

This Act shall come into force as of the date of promulgation.

**Supplementary Provisions** (Act No.52 of May 17th, 1968)

This Act shall come into force as of the date of promulgation, provided however that the amended provision adding Article 42 to the Supplementary Provisions shall come into force on a date prescribed by Cabinet Order (June 4th, 1968) within a range not exceeding one (1) month from the date of promulgation.

**Supplementary Provisions** (Act No.71 of June 1st, 1974; extract)

(Date of Enforcement)

**Article 1**

This Act shall come into force as of the date of promulgation, provided however that [part omitted] the provisions of Supplementary Provisions Articles 7 to 11 [part omitted] (hereinafter “Amended Provisions on Special Wards”) shall come into force on April 1st, 1975.

**Supplementary Provisions** (Act No.87 of July 5th, 1978 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force as of the date of promulgation [proviso omitted].

(Partial Amendment of the Agricultural Warehousing Business Act, etc)

**Article 12**

In the provisions of the laws set forth below, “Minister of Agriculture and Forestry” shall be amended to “Minister of Agriculture, Forestry and Fisheries”. [Rest omitted]

**Supplementary Provisions** (Act No.70 of May 10th, 1991 (extract))

(Date of Enforcement, etc)

**Article 1**

This Act shall come into force on a date prescribed by Cabinet Order within a range not exceeding six (6) months from the date of promulgation (September 16th, 1991), provided however that the amended provisions of the Horse Racing Act Annexed Table in Article 1 shall come into force on October 1st, 1991, and the amended provisions of Article 11 and Article 12 of said Act on April 1st, 1992.

**Articles 2 to 4** Deleted (amendment under the Act to Amend Part of the Horse Racing Act, Act No.86 of 2004)

(Transitional Measures Concerning the Period of Extinctive Prescription )

**Article 5**

The period of prescription for claims related to payouts or refunds with regard to pari-mutuel betting tickets arising prior to March 31st, 1992 shall remain in accordance with existing practice.

(Transitional Measures Concerning Licenses of Jockeys in Regional Racing)

**Article 6**

Jockeys who, upon enforcement of this Act, are already licensed under the provisions of Article 16 of the Horse Racing Act before amendment under the provisions of Article 1 (hereinafter “the former Horse Racing Act”) as applied mutatis mutandis in Article 22 of the former Horse Racing Act shall be regarded as trainers or jockeys who are licensed



under the provisions of Article 16 paragraph 1 of the new Horse Racing Act as applied mutatis mutandis in Article 22 of the new Horse Racing Act, as prescribed in Ordinances of the Ministry of Agriculture, Forestry and Fisheries.

(Transitional Measures Concerning the Appointment of the Vice Chairman of the National Association of Racing)

**Article 7**

A person who is already the Vice Chairman of the National Association of Racing upon enforcement of this Act shall thereupon be considered to have been appointed Vice Chairman under the provisions of Article 23–12 paragraph 2 of the new Horse Racing Act.

(Transitional Measures Concerning the Tenure of Officers of the National Association of Racing)

**Article 8**

Irrespective of the provisions of Article 23–12 paragraph 3 of the new Horse Racing Act, the tenure of persons who were already Vice Chairman, Director or Auditor of the National Association of Racing upon enforcement of this Act shall be the same as the remaining tenure of such persons as Vice Chairman, Director or Auditor of the National Association of Racing under the provisions of Article 23–12 paragraph 3 of the former Horse Racing Act upon enforcement of this Act.

(Transitional Measures Concerning Penal Provisions)

**Article 12**

The application of penal provisions against acts committed before the enforcement of this Act shall remain in accordance with existing practice.

(Entrustment to Cabinet Order)

**Article 13**

Besides those provided in Supplementary Provisions Article 4 through the preceding Article, transitional measures necessary in connection with enforcing this Act shall be prescribed by Cabinet Order.

**Supplementary Provisions** (Act No.49 of June 29th, 1994 (extract))

(Date of Enforcement)

1. In this Act, [part omitted] the provisions of Chapter 2 shall come into force on the date of enforcement of the provisions of Part III Chapter 3 of the Local Autonomy Act (Act No.67 of 1947) as amended in the Act to Amend Part of the Local Autonomy Act (Act No.48 of 1994) (June 15th, 1995).

**Supplementary Provisions** (Act No.103 of June 24th, 1997 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force as of the date of promulgation. [Rest omitted]

(Transitional Measures)

**Article 2**

The provisions of the Act after amendment under the provisions of [part omitted] Article 39, [part omitted], shall be applied from documents [part omitted] provided in the provisions of said Act pertaining to the business year starting on April 1st, 1996.

**Supplementary Provisions** (Act No.151 of December 8th, 1999 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force on April 1st, 2000 [proviso omitted].

**Supplementary Provisions** (Act No.160 of December 22nd, 1999 (extract))

(Date of Enforcement)

**Article 1**

This Act (except Articles 2 and 3) shall come into force on January 6th, 2001 [proviso omitted].

**Supplementary Provisions** (Act No.86 of June 9th, 2004 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force on January 1st, 2005.

(Transitional Measures Concerning Payouts)

**Article 2**

With respect to races held before the enforcement of this Act, the issuance of payouts under the provisions of Article 8 of the Horse Racing Act before amendment by this Act (including cases applied mutatis mutandis in Article 22 of said Act) shall remain in accordance with existing practice.

(Transitional Measures Concerning Penal Provisions)

**Article 3**

The application of penal provisions against acts committed before the enforcement of this Act shall remain in accordance with existing practice.

(Partial Amendment of the Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act)

**Article 5**

The Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act (Act No.70 of 1991) shall be partially amended as follows.

Supplementary Provisions Articles 2 to 4 shall be amended as follows.

**Articles 2 to 4** Deleted

(Transitional Measures Accompanying Partial Amendment of the Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act)

**Article 6**

1. The provisions of Supplementary Provisions Articles 2 and 3 of the Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act before amendment under the provisions of the preceding Article shall remain in force until March 31st, 2005 for races held before the enforcement of this Act.

2. The Japan Racing Association shall, on March 31st, 2005, close the Special Payment Fund provided in Article 29–2 paragraph 1 of the Japan Racing Association Act as applied mutatis mutandis in Supplementary Provisions Article 2 paragraph 4 of the Act to Amend Part of the Horse Racing Act and the Japan Racing Association Act before amendment under the provisions of the preceding Article, which is to remain in force under the provisions of the preceding paragraph (hereinafter in this paragraph “Special Payment Fund”), and upon such closure, shall transfer the assets and liabilities belonging to the Special Payment Fund to the Special Promotion Fund provided in Article 29–2

paragraph 1 of said Act.

**Supplementary Provisions** (Act No.50 of June 2nd, 2006 (extract))

(Date of Enforcement)

1. This Act shall come into force on the date of enforcement of the Act on General Incorporated Associations and General Incorporated Foundations. [Rest omitted]
2. [Omitted]
3. [Omitted]

**Supplementary Provisions** (Act No.76 of June 6th, 2007 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force on a date prescribed by Cabinet Order within a range not exceeding one (1) year from the date of promulgation, provided however that the provisions set forth in the following items shall come into force on the date prescribed in said items.

- (i) Provisions of Supplementary Provisions Article 4, Article 7 and Article 12:  
The date of promulgation
- (ii) The amended provisions of Supplementary Provisions Article 6 paragraph 2 of the Horse Racing Act in Article 1 (limited to the part amending “Supplementary Provisions Article 6 paragraph 1” to “Supplementary Provisions Article 9 paragraph 1”), the provision amending said Article to Supplementary Provisions Article 9 of said Act, the provision amending Supplementary Provisions Article 5 of said Act to Supplementary Provisions Article 8 of said Act, and the amended provision adding three Articles after Supplementary Provisions Article 4 of said Act, as well as the provisions of Article 2 and the provisions of Supplementary Provisions Articles 8 to 11 and Article 19: A date prescribed by Cabinet Order within a range not exceeding six (6) months from the date of promulgation

(Transitional Measures Concerning Special Exceptions to Subsidies)

**Article 2**

1. Prefectures or Designated Municipalities may, if they have already extended, under the provisions of Article 23–2 paragraph 1 of the Horse Racing Act before amendment

under the provisions of Article 1 (hereinafter “the former Horse Racing Act”), the deadline for issuance of subsidies provided under Article 23 paragraph 1 item (i) of the former Horse Racing Act (hereinafter in this paragraph “Item (i) Subsidies”) upon enforcement of this Act, further extend the special exception period (meaning the period of special exceptions provided in Article 23–2 paragraph 2 item (i) of the former Horse Racing Act; the same shall apply in the rest of this Article) within a range not exceeding five (5) years when combined with the period by which the deadline for issuance of said Item (i) Subsidies has already been extended, until said special exception period ends.

2. The provisions of Article 23–2 paragraphs 2 and 4 as well as Article 23–3 of the Horse Racing Act after amendment under the provisions of Article 1 (hereinafter “the New Horse Racing Act”) shall apply mutatis mutandis to the extension of the special exception period provided in the preceding paragraph.

(Transitional Measures Concerning Racing Collaboration Plans)

### **Article 3**

Racing collaboration plans subject to the authorization provided in Article 23–7 paragraph 1 of the former Horse Racing Act before the enforcement of this Act, prepared by prefectures or Designated Municipalities that have obtained said authorization (or, when there has been a change to Article 23–8 paragraph 1 of the former Horse Racing Act, such plans after the change) shall be regarded as Horse Racing Revitalization Plans subject to the authorization in Article 23–7 paragraph 1 of the new Horse Racing Act.

(Transitional Measures Concerning the Articles of Incorporation of the National Association of Racing)

### **Article 4**

The National Association of Racing shall, by the date of enforcement of this Act (hereinafter “Date of Enforcement”), prepare the Articles of Incorporation provided in Article 23–16 paragraph 1 of the new Horse Racing Act and obtain the approval of the Minister of Agriculture, Forestry and Fisheries. In this case, the validity of such approval shall arise on the Date of Enforcement.

(Transitional Measures Concerning Officers of the National Association of Racing)

### **Article 5**

Persons who are already serving as Chairman, Vice Chairman, Director or Auditor of the National Association of Racing upon enforcement of this Act shall be considered to have been appointed President, Vice President, Director or Auditor, respectively, under the

provisions of Article 23–26 paragraphs 1 to 3 of the new Horse Racing Act on the Date of Enforcement. In this case, the tenure of persons considered to have been appointed as such, irrespective of the provisions of paragraph 4 of said Article, on the Date of Enforcement shall be the same as their respective remaining tenures as Chairman, Vice Chairman, Director or Auditor under the provisions of Article 23–18 paragraph 3 of the former Horse Racing Act.

(Transitional Measures Concerning the Tenure of Trustees of the National Association of Racing)

**Article 6**

The tenure of persons who were Trustees of the National Association of Racing on the day before the Date of Enforcement shall terminate on said day, irrespective of the provisions of Article 23–27 paragraph 3 of the former Horse Racing Act.

(Transitional Measures Concerning Penal Provisions)

**Article 11**

The application of penal provisions against acts committed before the enforcement of this Act (or, in the case of provisions set forth in the items of Supplementary Provisions Article 1, of said provisions) shall remain in accordance with existing practice.

(Entrustment to Cabinet Order)

**Article 12**

Besides those provided in Supplementary Provisions Article 2 to the preceding Article, transitional measures necessary in connection with enforcing this Act shall be prescribed by Cabinet Order.

(Review)

**Article 13**

When ten (10) years have passed after the enforcement of this Act, the government shall review the status of the new Horse Racing Act and the new Japan Racing Association Act, and when deeming it necessary, shall devise requisite measures based on the results thereof.

(Partial Amendment of the National Diet Library Act)

**Article 14**

The National Diet Library Act (Act No.5 of 1948) shall be partially amended as follows.

Annexed Table No.1: The section on the National Association of Racing shall be deleted.

Annexed Table No.2: The following shall be added before the section on the Japan Sewage Works Agency.

National Association of Racing	Horse Racing Act (Act No.158 of 1948)
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(Partial Amendment of the Administrative Case Litigation Act, etc.)

#### **Article 15**

The section on the National Association of Racing in the following law tables shall be deleted.

- (i) Administrative Case Litigation Act (Act No.139 of 1962): Annexed Table
- (ii) Act on Access to Information Held by Independent Administrative Agencies (Act No.140 of 2001): Annexed Table No.1
- (iii) Act on the Protection of Personal Information Held by Independent Administrative Agencies, etc. (Act No.59 of 2003): Annexed Table

(Transitional Measures Accompanying Partial Amendment of the Administrative Case Litigation Act)

#### **Article 16**

The jurisdiction over appeal lawsuits filed before the enforcement of this Act against the National Association of Racing based on the provisions of the Administrative Case Litigation Act before amendment under the provisions of the preceding Article item (i) shall remain in accordance with existing practice.

(Transitional Measures Accompanying Partial Amendment of the Act on Access to Information Held by Independent Administrative Agencies)

#### **Article 17**

Acts undertaken by and towards the National Association of Racing before the enforcement of this Act based on the Act on Access to Information Held by Independent Administrative Agencies before amendment under the provisions of Supplementary Provisions Article 15 item (ii) shall remain in accordance with existing practice.

(Transitional Measures Accompanying Partial Amendment of the Act on the Protection of Personal Information Held by Independent Administrative Agencies, etc.)

#### **Article 18**

1. Acts undertaken by and towards the National Association of Racing before the enforcement of this Act based on the Act on the Protection of Personal Information Held

by Independent Administrative Agencies, etc., before amendment under the provisions of Supplementary Provisions Article 15 item (iii) (hereinafter in this Article “the Former Act”) shall remain in accordance with existing practice.

2. If the persons set forth below have, without good reason, supplied personal information files provided in Article 2 paragraph 4 of the Former Act, in which matters belonging to confidential information on individuals held by the National Association of Racing before the enforcement of this Act are recorded and which pertain to item (i) of said paragraph (including those that duplicate all or part or process the same), they shall be punished with imprisonment with hard labor of up to two (2) years or a fine of up to one million (1,000,000) yen.

- (i) Officers or employees of the National Association of Racing or persons who have served in such posts.
- (ii) Persons who are or were engaged in operations entrusted to persons whom the National Association of Racing had entrusted to handle personal information provided in Article 2 paragraph 2 of the Former Act.
- (iii) Persons provided in the items of the preceding paragraph who provide or misappropriate personal information held by the National Association of Racing under the provisions of Article 2 paragraph 3 of the Former Act before the enforcement of this Act, which they obtained in connection with their operations, for the purpose of seeking unlawful profit for themselves or a third party, shall be punished with imprisonment with hard labor of up to one (1) year or a fine of up to five hundred thousand (500,000) yen.
- (iv) The provisions of the preceding two paragraphs shall also apply to persons who have committed the offenses in these paragraphs outside the territory of Japan.

### **Supplementary Provisions** (Act No.105 of August 30th, 2011 (extract))

(Date of Enforcement)

#### **Article 1**

This Act shall come into force as of the date of promulgation [proviso omitted].

(Transitional Measures Concerning Penal Provisions)

#### **Article 81**

The application of penal provisions against acts committed before the enforcement of this Act (or, in the case of provisions set forth in the items of Supplementary Provisions



Article 1, said provisions; the same shall apply in the rest of this Article), as well as acts committed after the enforcement of this Act in cases when the provisions of these Supplementary Provisions are taken to remain in accordance with existing practice, shall remain in accordance with existing practice.

(Entrustment to Cabinet Order)

### **Article 82**

Besides those provided in these Supplementary Provisions, transitional measures necessary in connection with enforcing this Act (including transitional measures concerning penal provisions) shall be prescribed by Cabinet Order.

### **Supplementary Provisions** (Act No.37 of June 27th, 2012 (extract))

(Date of Enforcement)

### **Article 1**

This Act shall come into force on a date prescribed by Cabinet Order within a range not exceeding three (3) years from the date of promulgation, provided however that the amended provisions of Supplementary Provisions Article 7 paragraph 1 and Article 8, together with the provisions of Supplementary Provisions Article 4, shall come into force on the date of promulgation.

(Transitional Measures Concerning Payouts)

### **Article 2**

1. The issuance of payouts for races held before the enforcement of this Act shall remain in accordance with existing practice, irrespective of the provisions of Article 8 of the Horse Racing Act after amendment by this Act (hereinafter “the New Act”) (including cases to which they apply mutatis mutandis in Article 22 of the New Act).
2. If the additional amounts provided in Article 9 paragraph 1 or 3 of the Horse Racing Act before amendment by this Act (hereinafter “the Former Act”) already exist upon enforcement of this Act (including cases to which these provisions apply mutatis mutandis in Article 22 of the Former Act), said additional amounts shall be regarded as additional amounts in Article 9 paragraph 1 or 3 of the New Act, respectively (including cases to which these provisions apply mutatis mutandis in Article 22 of the New Act).

(Transitional Measures Concerning Item (ii) Payments)

**Article 3**

Irrespective of the provisions of Supplementary Provisions Article 5 paragraph 1 item (ii) and Article 6 paragraph 1 item (ii) of the New Act, the issuance of Item (ii) Payments concerning races held before the enforcement of this Act shall remain in accordance with existing practice.

(Entrustment to Cabinet Order)

**Article 4**

Besides those prescribed in the preceding two Articles, transitional measures necessary in connection with enforcing this Act shall be prescribed by Cabinet Order.

**Supplementary Provisions** (Act No.18 of May 7th, 2015 (extract))

(Date of Enforcement)

**Article 1**

This Act shall come into force on a date prescribed by Cabinet Order within a range not exceeding six (6) months from the date of promulgation, provided however that the provisions set forth in each of the following items shall come into force on the date prescribed in each respective item.

- (i) Provisions of Supplementary Provisions Article 3: The date of promulgation
- (ii) Amended provisions of Contents (limited to the part amending “Article 29–2” to “Article 29–3”) and the amended provision adding one line to Article 29–2 in Chapter 4 as well as the provisions of Supplementary Provisions Article 5:  
October 1st, 2015

(Transitional Measures Concerning Penal Provisions)

**Article 2**

The application of penal provisions against acts committed before the enforcement of this Act shall remain in accordance with existing practice.

(Entrustment to Cabinet Order)

**Article 3**

Besides those provided in the preceding Article, transitional measures necessary in connection with the enforcement of this Act shall be prescribed by Cabinet Order.

**Annexed Table** (related to Article 23–2)

Net turnover	Amount to be issued to the National Association of Racing
200,000,000-299,999,999 yen	0.35% of the net turnover, provided however that when 98.6% of the net turnover amounts to less than 200,000,000 yen, 25% of the difference between said net turnover and 200,000,000 yen
300,000,000-399,999,999 yen	0.45% of the net turnover, provided however that when 98.2% of the net turnover amounts to less than 295,800,000 yen, 25% of the difference between said net turnover and 295,800,000 yen
400,000,000-799,999,999 yen	0.55% of the net turnover, provided however that when 97.8% of the net turnover amounts to less than 392,800,000 yen, 25% of the difference between said net turnover and 392,800,000 yen
800,000,000-1,199,999,999 yen	0.65% of the net turnover, provided however that when 97.4% of the net turnover amounts to less than 782,400,000 yen, 25% of the difference between said net turnover and 782,400,000 yen
1,200,000,000-1,699,999,999 yen	0.85% of the net turnover, provided however that when 96.6% of the net turnover amounts to less than 1,168,800,000 yen, 25% of the difference between said net turnover and 1,168,800,000 yen
1,700,000,000 yen or more	1.05% of the net turnover, provided however that when 95.8% of the net turnover amounts to less than 1,642,200,000 yen, 25% of the difference between said net turnover and 1,642,200,000 yen

**Reason** (Act No.158 of July 13th, 1948)

In order to operate fair and impartial horse racing, horse racing needs to be managed by the government and the prefectures. This is the reason for submitting this draft legislation.

**Reason** (Act No.197 of June 6th, 1949)

Towns or villages that have suffered severe damage from disasters and have been designated thus by the Prime Minister must be enabled to operate horse racing in order to ensure a source of income. This is the reason for submitting this draft legislation.

**Reason** (Act No.198 of June 6th, 1949)

In view of the results of operation, part of the Horse Racing Act must be amended to add multiple pari-mutuel betting methods, abolish free admission, remove persons who have been sentenced to imprisonment with hard labor of one (1) year or more from horse ownership, and increase the severity of penal regulations, among others. This is the reason for submitting this draft legislation.

**Reason** (Act No.275 of December 17th, 1949)

Of municipalities that have suffered severe damage from disasters and have been designated to practice horse racing, the number of race meets needs to be increased to the same level as for prefectures, especially in the large cities of Yokohama, Nagoya, Osaka and Kobe. This is the reason for submitting this draft legislation.

**Reason** (Act No.216 of May 31st, 1950)

Since designated cities that have racecourses within their area require greater expenditure on efforts such as maintaining and managing racecourses compared to other designated cities, steps must be taken to increase their income by increasing the number of race meets compared to other Designated Municipalities. This is the reason for submitting this draft legislation.

**Reason** (Act No.259 of December 12th, 1950)

Part of the Horse Racing Act needs to be amended to reduce deduction rates, among others, with a view to promoting horse racing. This is the reason for submitting this draft legislation.

**Reason** (Act No.294 of December 21st, 1950)

Steps must be taken to increase the turnover from gross pari-mutuel betting ticket sales in state-operated racing, by opening a state-operated racecourse within an area centering on Nagoya City. This is the reason for submitting this draft legislation.

**Reason** (Act No.141 of April 9th, 1951)

The number of race meets at a racecourse where present circumstances make it impossible to hold race meets must be held at other racecourses, thereby increasing state-operated racing income. This is the reason for submitting this draft legislation.

**Reason** (Act No.156 of May 22nd, 1951)

It must be made possible to hold race meets in municipalities that have not suffered serious damage from a disaster if a regional racecourse exists within their area. This is the reason for submitting this draft legislation.

**Reason** (Act No.21 of June 14th, 1955)

To achieve the wholesome development of horse racing, penal regulations against persons who act as agents for pari-mutuel betting tickets need to be prescribed. This is the reason for submitting this draft legislation.

**Reason** (Act No.83 of April 20, 1962)

In view of recent circumstances in the practice of horse racing and, at the same time, in compliance with a report by the Public Gaming Commission, requisite measures must be

taken to enhance the system of practicing regional racing, improve the method of operating horse racing, and tighten the regulations thereon, and, in addition, to promote the fair and impartial practice of horse racing by establishing the National Association of Racing and appropriate revenues from said horse racing for operations that promote animal husbandry and social welfare, etc., thereby contributing to the development of such operations. This is the reason for submitting this draft legislation.

**Reason** (Act No.22 of March 31st, 1965)

In view of the financial circumstances of municipalities as provided in Supplementary Provisions Article 7 of the Act to Amend Part of the Horse Racing Act (Act No.83 of 1962), the period in which said municipalities may practice horse racing needs to be extended for a further three (3) years. This is the reason for submitting this draft legislation.

**Reason** (Act No.52 of May 17th, 1968)

In view of the special circumstances of special wards, in order to prescribe special exceptions in connection with their practice of regional racing and, at the same time, to alleviate sudden impacts on finances accompanying the discontinuation of regional racing by municipalities as provided in Supplementary Provisions Article 7 of the Act to Amend Part of the Horse Racing Act (Act No.83 of 1962), prefectures must be enabled to subsidize said municipalities, using part of the earnings from horse racing operated by them. This is the reason for submitting this draft legislation.

**Reason** (Act No.70 of May 10th, 1991)

In view of recent changes in various circumstances surrounding horse racing, in order to achieve the wholesome development of horse racing and contribute to the promotion of animal husbandry, steps must be taken to develop a system for ensuring fair and impartial horse racing. Meanwhile, the Japan Racing Association must be enabled to establish a special promotion fund so that it may undertake operations aimed at achieving the wholesome development of the horse racing business and contributing to the promotion of animal husbandry, among other matters. This is the reason for submitting this draft legislation.

**Reason** (Act No.86 of June 9th, 2004)

In view of the difficulty of balancing revenues and expenditures for horse racing promoters due to decreases in net pari-mutuel betting sales in recent years, measures must

be taken to deregulate business entrustment and other matters connected with the administration of horse racing and to support regional racing promoters, among others. This is the reason for submitting this draft legislation.

**Reason** (Act No.76 of June 6th, 2007)

To contribute to the smooth implementation of the Reorganization and Rationalization Plan for Special Public Institutions under the Basic Act on the Reform of Public Corporations, etc., the National Association of Racing should become a corporation where regional racing operators may take initiatives for its management. Meanwhile, the Japan Racing Association must take measures such as establishing a new decision-making body consisting of people with wide experience and knowledge. This is the reason for submitting this draft legislation.

**Reason** (Act No.37 of June 27th, 2012)

In view of the difficulty of balancing revenues and expenditures for horse racing promoters due to the continuous decrease in net proceeds from betting sales in recent years, in order to promote horse racing, the method of calculation payout amounts needs to be revised, and steps must be taken to extend the support needed by promoters of regional racing. This is the reason for submitting this draft legislation.

**Reason** (Act No.18 of May 7th, 2015)

In view of recent changes in the circumstances surrounding horse racing, steps must be taken such as to enable pari-mutuel betting tickets for specific races in racing implemented overseas to be sold by the Japan Racing Association and others. This is the reason for submitting this draft legislation.