

**Independent Administrative Institution Okinawa Institute
of Science and Technology Promotion Corporation Act
(Provisional Translation)**

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CHAPTER I GENERAL PROVISIONS

Article 1. (Purpose)

This Act aims to provide for matters concerning the name, purpose, and scope of duties and others of Independent Administrative Institution “Okinawa Institute of Science and Technology Promotion Corporation”.

Article 2. (Name)

The name of the independent administrative institution provided for in Article 2.1 of the General Principle Act for Independent Administrative Institutions (Act No. 103 of 1999, hereinafter referred to as the “General Principle Act”) that is to be established in accordance with this Act and the General Principle Act shall be the Independent Administrative Institution “Okinawa Institute of Science and Technology Promotion Corporation”.

Article 3. (Objectives of the Corporation)

The objectives of the Independent Administrative Institution Okinawa Institute of Science and Technology Promotion Corporation (hereinafter referred to as the “Corporation”) are to promote outstanding research and development in science and technology on a global level; be based in Okinawa Prefecture (hereinafter referred to as “Okinawa”); and to prepare for opening of a graduate university

prescribed by Article 85.2* of the Act on Special Measures of Promotion and Development of Okinawa (Act No. 14 of 2002) (hereinafter referred to as the “Graduate University”) [according to the Okinawa Promotion and Development Plan prescribed by Article 4.1 of the said Act,]. Thus the Corporation will develop the research and development infrastructure of science and technology, contribute to the self-sustaining development of the economy and society in Okinawa and the global progress of science and technology.

* Article 85.2 of the act stipulates as follows:

The national and local public governments shall make efforts to raise the level of science and technology of Okinawa from an international point of view, by taking necessary measures such as establishment and promotion of educational and research institutions, including a graduate school university, that conduct internationally outstanding education and research.

Article 4. (Office)

The Corporation shall locate its principal office in Okinawa Prefecture.

Article 5. (Capital)

1. The Corporation’s capital shall be the amount contributed by the national government in accordance with the provisions of Supplementary Provisions Article 2.2.
2. The Corporation may increase its capital, as necessary, upon receiving approval from the Prime Minister.
3. The national government and the regional government of Okinawa may make capital contributions to the Corporation when the Corporation increases its capital under the provisions of the preceding paragraph.
4. The national government and the regional government of Okinawa may contribute land, buildings and other land fixtures (hereinafter referred to as “Land, Buildings, Etc.”) as capital contributions when they make capital contributions to the Corporation under the provisions of the preceding paragraph.
5. The prices of Land, Buildings, Etc. which are provided as capital contributions under the provisions of the preceding paragraph shall be the market prices as assessed by members of the Evaluation Committee effective of the

contributions date.

6. All necessary items regarding the assessments and the members of the Evaluation Committee under the preceding paragraph shall be stipulated by government decrees.

Article 6. (Restriction on the Use of the Corporation's Name)

Individuals and organizations other than the Corporation may not use the name Okinawa Institute of Science and Technology Promotion Corporation.

CHAPTER II OFFICERS AND EMPLOYEES

Article 7. (Officers)

1. The Corporation shall have, as its officers, a President as its head and two Auditors.
2. The Corporation may have, as its officer, one Executive Director.

Article 8. (Duties, Authority, Etc. of the Executive Director)

1. Executive Director shall, under the authority delegated by the President, administer the affairs of the Corporation, assisting the President.
2. The officer provided for by the Individual Act as stipulated under Article 19.2 of the General Principle Act*, shall be the Executive Director; provided, however, that when there is no Executive Director in the Company, such officer shall be the Auditor.

*Article 19.2 of the General Principle Act stipulates that when the President is unable to work for some reason (e.g., illness), officers prescribed in an Individual Act shall handle the administrative work in place of the President.

3. When the proviso in the immediately preceding paragraph applies, the Auditor who acts for or performs the duties of the President in accordance with the provisions of Article 19.2 of the General Principle Act shall not perform the duties of Auditor during such time.

Article 9. (Appointment of the President)

The Prime Minister shall consult the Board of Governors prescribed by Article 13.1 and consider the opinion of the Board before appointing the President as prescribed in Article 20.1 of the General Principle Act.

Article 10. (Term of Office for Officers)

The term of office of the President shall be four years, and the term of office of Executive Director and of the Auditors shall be two years.

Article 11. (Confidentiality Obligations of Officers and Employees)

No persons who are, or have been, officers or employees of the Corporation shall divulge or use by stealth any secret that was accessible through their duties as an officer or employee.*

*For example, officers and employees of the Corporation shall not divulge confidential information on the bid for a construction project to a construction company.

Article 12. (Status of Officers and Employees)

Corporation officers and employees shall be regarded as employees engaged in the performance of public duties in accordance with appropriate acts or ordinances, for the purpose of the application of the Penal Code (Act No. 45 of 1907) and other penal provisions.*

*The disciplinary action imposed on the Corporation's personnel is the same as that of public employees. For example, receipt of a small amount of bribe in relation to one's job constitutes bribery.

CHAPTER III BOARD OF GOVERNORS

Article 13. (Establishment of the Board of Governors and Its Powers)

1. The Board of Governors shall be established in the Corporation.
2. The following matters shall require a resolution by the Board of Governors:
 - (1) Making or altering a Statement of Business Principles*; and
 - (2) Making or altering a Medium-Term Plan prescribed by Article 30.1 of

the General Principle Act

3. As prescribed by Article 9, the Board of Governors shall offer recommendations to the Prime Minister in regard to the appointment of the President and oversee the implementation of business conducted by the Corporation.

4. Other than the duties prescribed by the preceding two paragraphs, the Board of Governors may offer recommendations on important issues of the Corporation when consulted by the President; and make policy recommendations to the President on the future of the Graduate University and other matters, which the Board of Governors considers it necessary to be deliberated.

*Statement of Business Principle is a set of internal rules of an organization that specifies the ways of operating its business provided for by the Act.

Article 14. (Composition of the Board of Governors)

The Board of Governors shall be composed of no more than fifteen members.

Article 15. (Members)

1. The Members of the Board of Governors shall be appointed by the Prime Minister from among those with high knowledge of science and technology and others with expertise or experience in various fields.

2. The term of office of the Members shall be three years with the provision that the term of office for replacement members shall be the remaining term of the predecessor.

3. The provisions of Articles 11 and 12 of this Act, as well as the provisions of Articles 14, 21.2, 22, 23.1 and 23.2 of the General Principle Act shall apply to the Members *mutatis mutandis*.* In this case, the phrase “Article 20.1” in Article 14.3 of the General Principle Act shall be read as “Article 15.1 of the Act of the Independent Administrative Institution Okinawa Institute of Science and Technology Promotion Corporation” and the phrase “the Competent Minister or the Head of Institution ... respectively” in Articles 23.1 and 23.2 of the General Principle Act shall be read as “the Prime Minister”.

*(Article 14) The persons to become the President and the Auditors shall be designated before the establishment of the IAI.

(Article 21.2) Officers can be reappointed.

(Articles 22 & 23.1) Government employees (including those of the local public government) cannot be officers. Officers shall be dismissed if they become government employees.

(Article 23.2) Officers shall be dismissed if they violate its obligations of duty or they are deemed unable to perform duties due to physical or mental disabilities.

CHAPTER IV BUSINESS, ETC.

Article 16. (Scope of Business)

The Corporation shall conduct the following business to attain the objectives stated in Article 3:

- (1) Conducting outstanding science and technology research and development on a global level;
- (2) Disseminating results by conducting the business stated in (1) above and promoting their use;
- (3) Convening research forums and/or workshops in science and technology and conducting other affairs for promoting communication amongst researchers;
- (4) Sharing the facilities and equipment of the Corporation with those who conduct science and technology research and development;
- (5) Training researchers in outstanding science and technology methods and to enhance the level of expertise;
- (6) Preparing for the establishment of the Graduate University; and
- (7) Affairs incidental to the conduct of business stated in each of the preceding sub-paragraphs.

Article 17. (Disposition of Reserves)

1. After implementing the arrangements stipulated under Articles 44.1 or 44.2 of the General Principle Act concerning the final business year of the medium-term target period stipulated under Article 29.2(1) of the General Principle Act (hereinafter referred to as “said Medium-Term Target Period”) and there are reserves as stipulated by Article 44.1 of General Principle Act, out of an amount equivalent to said reserves the Corporation may allocate the amount approved by the Prime Minister for works stipulated in the preceding article during the Medium-Term Target Period subsequent to said Medium-Term Target Period based on the Medium-Term Plan (as amended in cases where changes are approved under the stipulations of the latter paragraph of Article 30.1) approved

under the provisions of Article 30.1 of the General Principle Act concerning the Medium-Term Target Period subsequent to said Medium-Term Target Period.

2. Under the provisions of the previous paragraph, the Prime Minister must first hear the opinions of the Cabinet Office Independent Administrative Institution Evaluation Committee and consult with the Minister of Finance when granting approval.

3. When the Corporation deducts the amount approved under the stipulations of Paragraph 1 from an amount equivalent to the amount of the reserves stipulated by Paragraph 1 and some funds still remain, the Corporation must remit those remaining funds to the national treasury.

4. All necessary items regarding tax payment procedures and other disposition of reserves aside from those three paragraphs stipulated in the preceding shall be stipulated by government decree.

CHAPTER V MISCELLANEOUS

Article 18. (Competent Ministers, Etc.)

1. The competent ministers for the Corporation under the General Principle Act shall be as follows.

(1) The Prime Minister for all items concerning officers, employees, financial affairs, accounting and other management works

(2) The Prime Minister and the Minister of Education, Culture, Sports, Science and Technology for all works (including associated works) under the provisions of Article 16(6).

(3) The Prime Minister for all works under the provisions of Article 16 aside from those stipulated under the previous item.

2. The competent ministry for the Corporation under the General Principle Act shall be the Cabinet Office.

3. The competent government decrees for the Corporation under the General Principle Act shall be those government decrees issued by the competent ministers.

Article 19. (Hearing the Opinions of the Independent Administrative

Institution Evaluation Committee)

1. Regarding the application of Articles 28.3, 29.3, 30.3 and 35.2 of the General Principle Act to the works stipulated in Articles 18.1(2) above, the phrase “Evaluation Committee” in Articles 28.3, 29.3, 30.3 and 35.2 of the General Principle Act shall be read as “Evaluation Committee and Ministry of Education, Culture, Sports, Science and Technology Independent Administrative Institution Evaluation Committee”.

2. In the following cases regarding the works stipulated in Articles 18.1(2) above, the Cabinet Office Independent Administrative Institution Evaluation Committee must hear the opinions of the Ministry of Education, Culture, Sports, Science and Technology Independent Administrative Institution Evaluation Committee.

(1) When conducting evaluations under the provisions of Article 32.1 or Article 34.1 of the General Principle Act.

(2) When preparing recommendations under the provisions of the latter paragraph of Article 32.3 of the General Principle Act (including cases applied *mutatis mutandis* in Article 34.3 of the General Principle Act).

Article 20. (Exemption to Application of the Government Employees Housing Act)

The provisions of the Government Employees Housing Act (Act No. 117 of 1949) shall not apply to the officers and employees of the Corporation.

Article 21. (Dissolution of the Corporation)

1. When the Graduate University is opened, the Corporation shall be dissolved with its business succeeded by the Graduate University as provided under new legislation.

2. When the Corporation is dissolved and if it has residual assets after discharging its debt, it shall distribute them to the contributors within the limit of their contribution.

CHAPTER VI PENAL PROVISIONS

Article 22.

Individuals who divulge or improperly use any secret in violation of the provisions of Article 11 (including cases applied *mutatis mutandis* in Article 15.3) shall be subject to imprisonment for a period of up to one year or to a fine of up to ¥500,000.

Article 23.

Officers of the Corporation who have the Corporation commit any of the following violations shall be subject to a non-penal fine of up to ¥200,000.

(1) Failure to receive the agreement or approval of the Prime Minister when receiving the agreement or approval of the Prime Minister as required by the provisions of this Act.

(2) Engaging in any works aside from those stipulated by Article 16.

Article 24.

Individuals who violate the provisions of Article 6 shall be subject to a non-penal fine of up to ¥100,000.

SUPPLEMENTARY PROVISIONS

Article 1. (Date of Enforcement)

This Act shall be enforced as from the date of the promulgation of this Act.

Article 2. (Inheritance, etc. of Rights and Obligations)

1. When the Corporation is established, regarding the preparation of works stipulated by Article 16, among those rights and obligations that presently belong to the national government, those stipulated by government decree shall be inherited by the Corporation upon its establishment.

2. When the Corporation inherits rights and obligations of the national government under the provisions of the preceding paragraph, upon this inheritance the national government shall be deemed to have made a capital contribution to the Corporation of an amount equivalent to the total value of the inherited land, buildings and other assets covered by said rights as stipulated by government decree.

3. When the national government makes capital contributions under the stipulations of the preceding paragraph, the prices of the assets stipulated by the preceding paragraph shall be the market prices as assessed by members of the Evaluation Committee as of the date that the Corporation is established.

4. All necessary items regarding the assessments and the members of the Evaluation Committee under the preceding paragraph shall be stipulated by government decree.

Article 3. (Transitional Measures for the Restriction on the Use of the Corporation's Name)

The provisions of Article 6 shall not apply to individuals and organizations using the name Okinawa Institute of Science and Technology Promotion Corporation when this Act is promulgated for a period of six months after this Act is promulgated.

REASONS FOR SUBMISSION OF THIS DRAFT BILL

This draft bill is being submitted to establish the Okinawa Institute of Science and Technology Promotion Corporation (the "Corporation"), which will prepare for the establishment of a Graduate University as prescribed by the Act on Special Measures of Promotion and Development of Okinawa and for the promotion of outstanding research and development in science and technology on a global level based in the Okinawa Prefecture, and to stipulate the Corporation's name, objectives, scope of works, etc.