

# NUCLEAR LAW

## Bulletin

S U P P L E M E N T T O No. 45

### JAPAN

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June 1990



# ● Japan ●

## THE LAW ON COMPENSATION FOR NUCLEAR DAMAGE\* (Law No. 147 of 17th June 1961, as last amended on 31st March 1989)

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### Supplementary Provisions

### Part I General Provisions

#### (Purpose) Section 1

It is the purpose of this Law to protect persons suffering from nuclear damage and also to contribute to the sound development of nuclear industry by establishing the basic system regarding compensation in case of the occurrence of nuclear damage through reactor operation, etc.

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\* Unofficial translation by the Secretariat.

**(Definitions)**  
**Section 2**

As used in this Law, "reactor operation, etc." means any activity which comes under any one of the following cases below and incidental transport or storage of nuclear fuel material or material contaminated by nuclear fuel material [including nuclear fission products; this is also the case in sub-paragraph (v)], as provided by Cabinet Order:

- i) reactor operation;
- ii) fabricating;
- iii) reprocessing;
- iv) use of nuclear fuel material;
- v) waste disposal of nuclear fuel material or material contaminated by nuclear fuel material (referred to as "nuclear fuel material, etc." in the following paragraph and the following Section, paragraph 2).

2. As used in this Law, "nuclear damage" means any damage caused by the effects of the fission process of nuclear fuel material, or of the radiation from nuclear fuel material, etc., or of the toxic nature of such materials (which means effects that give rise to toxicity or its secondary effects on the human body by ingesting or inhaling such materials); however, the damage suffered by the nuclear operator who is liable for such damage pursuant to the following Section, is excluded.

3. As used in this Law, "nuclear operator" means any person as specified under any one of the following sub-paragraphs (including a person who had been deemed so previously).

- i) A person who is granted a permit [including approval; this also applies for sub-paragraphs (ii), (ii)-3, and (iii)] as provided in Section 23 paragraph 1 of the Law for the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors (Law No. 166, 1957; hereinafter referred to as "the Regulation Law"), (including a person who is regarded as a reactor operator pursuant to Section 39, aragraph 5 of the Regulation Law).
- i)-2 A person who is granted a permit as provided in Section 23-2, paragraph 1 of the Regulation Law.
- ii) A person who is granted a licence as provided in Section 13, paragraph 1 of the Regulation Law.
- ii)-2 A person who is granted an authorisation as provided in Section 44, paragraph 1 of the Regulation Law.
- ii)-3 A person who is granted a licence as provided in Section 51-2, paragraph 1 of the Regulation Law.

- iii) A person who is granted a licence as provided in Section 52, paragraph 1 of the Regulation Law.
- iv) The Japan Atomic Energy Research Institute.
- v) The Power Reactor and Nuclear Fuel Development Corporation.

4. As used in this Law, "reactor" means a reactor as provided in Section 3, paragraph 4 of the Atomic Energy Basic Law (Law No. 186, 1955), "nuclear fuel material" means nuclear fuel material as provided in Section 3, paragraph 2 of the Atomic Energy Basic Law (including spent fuel as provided in Section 2, paragraph 8 of the Regulation Law), "fabricating" means fabricating as provided in Section 2, paragraph 7 of the Regulation Law, "reprocessing" means reprocessing as provided in Section 2, paragraph 8 of the Regulation Law, "radiation" means radiation as provided in Section 3, paragraph 5 of the Atomic Energy Basic Law, and "nuclear ship" and "foreign nuclear ship" mean nuclear ship and foreign nuclear ship as provided in Section 23-2, paragraph 1 of the Regulation Law.

## Part II Liability for Nuclear Damage

### Chapter 1 - Financial Security

(Liability without fault, channelling of liability, etc.)  
Section 3

Where nuclear damage is caused as a result of reactor operation, etc. during such operation, the nuclear operator who is engaged in the reactor operation, etc. on this occasion shall be liable for the damage, except in the case where the damage is caused by a grave natural disaster of an exceptional character or by an insurrection.

2. Where nuclear damage is covered by the preceding paragraph and if the damage is caused as a result of the transport of nuclear fuel material, etc. between nuclear operators, the nuclear operator who is the consignor of the nuclear fuel material, etc. shall be liable for the damage unless there is a special agreement between the nuclear operators.

#### Section 4

Where nuclear damage is covered by the preceding Section, no person other than the nuclear operator who is liable for the damage pursuant to the preceding Section shall be liable for the damage.

2. Where nuclear damage is covered by the preceding Section paragraph 1, the liability of a nuclear operator who furnishes the financial security as provided in Section 7-2 paragraph 2 and wants a foreign nuclear ship to enter

into the Japanese water basin is limited to the amount as provided in Section 7-2 paragraph 2.

3. The provisions of Section 798 paragraph 1 of the Commercial Law (Law No. 48, 1899) and the Law relating to the Limitation of the Liability of Shipowners (Law No. 94, 1975) shall not apply to nuclear damage which is caused as a result of reactor operation, etc.

(Rights of recourse)  
Section 5

Where nuclear damage is covered by Section 3 and if the damage is caused by the wilful act of a third party, the nuclear operator who has compensated the damage pursuant to Section 3 retains a right of recourse against such a third party.

2. The provision of the preceding paragraph shall not prevent a nuclear operator from entering into a special agreement with any person regarding rights of recourse.

**Part III**  
**Financial Security**

(Duty to provide financial security)  
Section 6

A nuclear operator is prohibited from reactor operation, etc. unless financial security for compensation of nuclear damage (hereinafter referred to as "financial security") has been provided.

(Details of financial security)  
Section 7

Financial security, except when the provisions of the following Section are applicable, shall be provided by the conclusion of a contract of liability insurance for nuclear damage and an indemnity agreement for compensation of nuclear damage or by a deposit, which are approved by the Director-General of the Science and Technology Agency, as an arrangement that makes available for compensation of nuclear damage, 30 billion yen (in case of such reactor operation, etc. the Cabinet Order may provide for a lesser amount than 30 billion yen; hereinafter this amount is referred to as "financial security amount") per one plant or one site or one nuclear ship, or by an equivalent arrangement which is approved by the Director-General of the Science and Technology Agency.

2. Where the amount available for compensation of nuclear damage falls below the financial security amount because the nuclear operator has paid compensation for nuclear damage pursuant to Section 3, the Director-General of the Science and Technology Agency may, if he deems it necessary to ensure full

compensation of nuclear damage, order the nuclear operator to bring the amount available for compensation of nuclear damage up to the financial security amount by a given time.

3. In the case provided for in the preceding paragraph, the preceding Section shall not apply until the Order is made pursuant to the preceding paragraph (until the time designated by the order, where such an Order has been made pursuant to the preceding paragraph).

#### Section 7-2

Where a nuclear operator wants a nuclear ship to enter into foreign waters, financial security shall be provided by the conclusion of a contract of liability insurance for nuclear damage and an indemnity agreement for compensation of nuclear damage or by other financial security, which are approved by the Director-General of the Science and Technology Agency, as an arrangement that is sufficient for compensation of nuclear damage, in the amount agreed between the Government of Japan and the Government of such foreign country, arranged by the nuclear operator of the nuclear ship who is liable for compensation of nuclear damage.

2. Where a nuclear operator wants a foreign nuclear ship to enter into the Japanese water basin, the financial security shall be that approved by the Director-General of the Science and Technology Agency, as an arrangement that is sufficient for compensation of nuclear damage, in the amount (not less than 36 billion yen in respect of any one event attributed to nuclear damage) agreed between the Government of Japan and the Government of such foreign country, arranged by the nuclear operator of the foreign nuclear ship liable for compensation of nuclear damage.

### **Chapter 2. Contract of Liability Insurance for Nuclear Damage**

(Contract of liability insurance for nuclear damage)

#### Section 8

The contract of liability insurance for nuclear damage (hereinafter referred to as "liability insurance contract") shall be the contract under which an insurer (a person who is authorized to engage in liability insurance activities pursuant to the Insurance Business Law (Law No. 41, 1939) or the Law regarding Foreign Insurers (Law No. 184, 1949); hereinafter an insurer is limited to this meaning) undertakes to indemnify a nuclear operator for his loss arising from compensating nuclear damage, where the nuclear operator becomes liable for such nuclear damage, and under which that operator has undertaken to pay a premium to the insurer.

#### Section 9

Any person suffering from nuclear damage shall, with regard to his claim for such nuclear damage, have priority over other creditors in respect of compensation from the amount provided by the liability insurance contract.

2. The insured may request the insurer to make the insurance payment only to the extent of the amount of compensation which the insured has paid, or to the extent of which the insured has acquired the consent of persons suffering from nuclear damage.

3. The right to request insurance payment under the liability insurance contract shall not be assigned, mortgaged, seized; provided that a person suffering from nuclear damage may seize with regard to his claim for nuclear damage.

### **Chapter 3. Indemnity Agreements for Compensation of Nuclear Damage**

(Indemnity agreements for compensation of nuclear damage)

#### **Section 10**

An indemnity agreement for compensation of nuclear damage (hereinafter referred to as "indemnity agreement") shall be the contract by which the Government undertakes to indemnify a nuclear operator for his loss arising from compensating nuclear damage not covered by the liability insurance contract or other financial security for compensation of nuclear damage, where the nuclear operator becomes liable for such nuclear damage, and under which that operator has undertaken to pay an indemnity fee to the Government.

2. Matters regarding the indemnity agreement shall be provided by another Law.

#### **Section 11**

The provisions of Section 9 shall apply mutatis mutandis to the indemnity payment under the indemnity agreement.

### **Chapter 4. Deposit**

(Deposit)

#### **Section 12**

A deposit for financial security shall be made in the Legal Affairs Bureau or the District Legal Affairs Bureau nearest to the main office of the nuclear operator, either in cash or in securities as provided by the Order of the Prime Minister's Office.

(Payment from deposit)

Section 13

Any person suffering from nuclear damage may, with regard to his claim for such nuclear damage, receive compensation from the cash or securities deposited by the nuclear operator pursuant to the preceding Section.

(Withdrawal of deposit)

Section 14

A nuclear operator may, in the following cases, withdraw the cash or securities deposited pursuant to Section 12 with approval of the Director-General of the Science and Technology Agency where:

- i) the nuclear damage has been compensated;
- ii) financial security other than the deposit has been provided;
- iii) reactor operation, etc. has ceased.

2. When the Director-General of the Science and Technology Agency grants an approval in case of the preceding sub-paragraphs (ii) and (iii), he may, to the extent that he deems it necessary to ensure full compensation of nuclear damage, designate the time when, and the amount of the cash or securities which the nuclear operator can withdraw.

(Specifications by Orders)

Section 15

Matters regarding the deposit other than those provided in this Chapter shall be provided by Orders of the Prime Minister's Office and the Ministry of Justice.

**Part IV**  
**Measures taken by the State**

Section 16

Where nuclear damage occurs, the Government shall give a nuclear operator (except the nuclear operator of a foreign nuclear ship) such aid as is required for him to compensate the damage, when the actual amount which he should pay for the nuclear damage pursuant to Section 3 exceeds the financial security amount and when the Government deems it necessary to attain the purpose of this Law.

2. Aid as provided for in the preceding paragraph shall be given to the extent that the Government is authorised to do so by decision of the National Diet.

## Section 17

Where the provision for exoneration in Section 3, paragraph 1 applies or where nuclear damage is deemed to exceed the amount provided under Section 7-2, paragraph 2, the Government shall take the necessary measures to relieve victims and to prevent the damage from spreading.

### **Part V**

#### **Dispute Reconciliation Committee for Nuclear Damage Compensation**

#### (Dispute Reconciliation Committee for Nuclear Damage Compensation) Section 18

The Dispute Reconciliation Committee for Nuclear Damage Compensation (hereinafter referred to as "Reconciliation Committee") may be established as an organisation attached to the Science and Technology Agency, pursuant to the provisions laid down by Cabinet Order, which shall be in charge of mediating reconciliation of any dispute arising from compensation of nuclear damage.

2. The Reconciliation Committee shall:

- i) mediate reconciliation of any dispute arising from compensation of nuclear damage;
- ii) investigate and assess nuclear damage as necessary for dealing with the matters mentioned in (i) above.

3. Matters regarding the organisation and operation of the Reconciliation Committee as well as procedures of application and conduct of mediation other than those provided in paragraphs 1 and 2 shall be provided by Cabinet Order.

### **Part VI**

#### **Miscellaneous Provisions**

#### (Presentation of report and written opinion to the National Diet) Section 19

The Government shall, in case nuclear damage occurs on a comparatively large scale, report to the National Diet, as soon as possible, the state of damage and the measures taken by the Government pursuant to this Law.

2. The Government shall, in case nuclear damage occurs, present to the National Diet the written opinion regarding mitigation, prevention, etc. of the damage, which the Atomic Energy Commission or the Nuclear Safety Commission has presented to the Prime Minister.

(Application of Section 10, paragraph 1 and Section 16, paragraph 1)  
Section 20

The provisions of Section 10, paragraph 1 and Section 16, paragraph 1 shall apply to nuclear damage arising from reactor operation, etc. in respect of which the action, that comes under any one of sub-paragraphs mentioned in Section 2, paragraph 1, has begun by 31st December 1999.

(Submission of reports and inspection)  
Section 21

The Director-General of the Science and Technology Agency may, if he deems it necessary to ensure execution of the provisions of Section 6, require a nuclear operator to present any necessary reports or allow his officials to enter the latter's office, plant or site or his nuclear ship, to inspect his books, documents and other necessary objects, or to ask questions of the persons concerned.

2. When an official enters premises pursuant to the preceding paragraph, he shall carry an identification card and present it if requested by the persons concerned.

3. The authority to inspect pursuant to paragraph 1 shall not be construed as an inspection for a criminal offence.

(Consultations with the Minister of International Trade and Industry, or the Minister of Transport)  
Section 22

The Director-General of the Science and Technology Agency shall, when he takes action pursuant to Section 7, paragraph 1 or Section 7-2, paragraphs 1 or 2, or makes Orders pursuant to Section 7, paragraph 2, have prior consultations with the Minister of International Trade and Industry in cases related to reactors for electrical power generation, or with the Minister of Transport in cases related to reactors installed in vessels.

(Exclusion of application to the State)  
Section 23

The provisions of Part III, Section 16 and Part VII shall not apply to the State.

**Part VII**  
**Penal Provisions**

**Section 24**

A person who violates the provisions of Section 6 shall be punished by imprisonment of not more than one year, or by a fine not exceeding five hundred thousand yen, or both.

**Section 25**

A person shall be punished by a fine not exceeding two hundred thousand yen for:

- i) failing to present a report pursuant to Section 21, paragraph 1, or presenting a false report;
- ii) refusing, interrupting or evading entrance or inspection, or refusing to answer a question pursuant to Section 21, paragraph 1, or making a false answer to a question.

**Section 26**

When the representative of a legal entity, or the agent or other employee of a legal entity or of a person commits any one of the violations provided for in Sections 24 and 25 in connection with the business of the legal entity or the person, the legal entity and the person shall, in addition to punishment of the actual offender, be punished by a fine as provided in the respective Sections.

**Supplementary Provisions (Omitted)**

**ORDINANCE FOR THE ENFORCEMENT OF THE LAW ON COMPENSATION  
FOR NUCLEAR DAMAGE\***

**(Cabinet Order No. 44 of 6th March 1962,  
as last amended on 17th November 1989)**

The Cabinet has enacted this Cabinet Order pursuant to the provisions of Section 2, paragraph 1 and Section 7, paragraph 1 of the Law on Compensation for Nuclear Damage (Law No. 147, 1961).

(Reactor operation, etc.)

Section 1

Such activities provided for in the Cabinet Order referred to in Section 2, paragraph 1 of the Law on Compensation for Nuclear Damage (hereinafter referred to as "the Compensation Law") shall be the following:

- i) reactor operation;
- ii) fabricating the following nuclear fuel materials,
  - a) uranium or its compounds in which the ratio of uranium 235 to uranium 238 is higher than that of natural uranium but lower than five-hundredths, and any material which contains one or more of these nuclear materials, whenever these contain 2 000 grams or more by weight of uranium 235,
  - b) uranium or its compounds in which the ratio of uranium 235 to uranium 238 is higher than five-hundredths, and any material which contains one or more of these nuclear materials, whenever these contain 800 grams or more by weight of uranium 235,
  - c) plutonium or its compounds, and any material which contains one or more of these nuclear materials, whenever these contain 500 grams or more by weight of plutonium;
- iii) reprocessing;
- iv) use of the nuclear fuel materials mentioned in sub-paragraphs (ii)(a), (b) and (c);
- v) underground waste disposal and waste management as provided in Section 51-2, paragraph 1, sub-paragraphs (i) and (ii) of the Law for the Regulation of Nuclear Source Material, Nuclear Fuel Material

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\* Unofficial translation by the Secretariat.

and Reactors (Law No. 166, 1957, hereinafter referred to as "the Regulation Law") (hereinafter referred to as "underground waste disposal" and "waste management");

- vi) transport, storage and waste disposal of the following materials incidental to the activities mentioned in the foregoing sub-paragraphs,
  - a) nuclear fuel materials mentioned in sub-paragraphs (ii)(a), (b) and (c),
  - b) spent fuel as provided in Section 2, paragraph 7 of the Regulation Law (hereinafter referred to as "spent fuel"),
  - c) material contaminated by nuclear fuel material (including nuclear fission products; the same applies to the following provisions).

(Amount of financial security)  
Section 2

Such reactor operation, etc. and amount as provided in the Cabinet Order referred to in Section 7, paragraph 1 of the Compensation Law shall be the respective items in the following table. Provided, however, that reactor operation, etc. being performed as a combination at one and the same plant or site (or vessel in case reactors are installed in a vessel; the same applies to item (i) of the table) associates the relevant activities coming under two or more items from items (i) to (xi) of the table, the amount of financial security for the overall reactor operation, etc. shall be the highest individual amount required under the respective items in the table.

- |   |                |
|---|----------------|
| i) Operation of a reactor whose maximum thermal power exceeds 10 000 kWt (including transport, storage and waste disposal of nuclear fuel material or material contaminated by nuclear fuel material (hereinafter referred to as "nuclear fuel material, etc.") within the plant or on the site incidental to the operation of a reactor concerned; the same applies to items (ii) and (iii) of the table). | Yen 30 billion |
| ii) Operation of a reactor whose maximum thermal power exceeds 100 kWt but does not exceed 10 000 kWt.  | Yen 6 billion  |
| iii) Operation of a reactor whose maximum thermal power does not exceed 100 kWt.  | Yen 1 billion  |
| iv) Fabricating nuclear fuel material (excluding fabrication stipulated in the next item of the table, and including transport, storage and waste disposal of nuclear fuel material, etc. within the plant or on the site incidental to the fabrication concerned).   | Yen 1 billion  |

- |       |  |                |
|-------|--|----------------|
| v)    | Fabricating the nuclear fuel material mentioned in sub-paragraph (ii)(c) of the preceding Section (including transport, storage and waste disposal of nuclear fuel material, etc. within the plant or on the site incidental to the fabrication concerned).  | Yen 6 billion  |
| vi)   | Reprocessing (including transport, storage and waste disposal of nuclear fuel material, etc. within the plant or on the site incidental to the reprocessing concerned).  | Yen 30 billion |
| vii)  | Use of nuclear fuel material (excluding use stipulated in the next item of the table, and including transport, storage and waste disposal of nuclear fuel material, etc. within the plant or on the site incidental to the use concerned).   | Yen 1 billion  |
| viii) | Use of the nuclear fuel material mentioned in sub-paragraph (ii)(c) of the preceding Section (including transport, storage and waste disposal of nuclear fuel material, etc. within the plant or on the site incidental to the use concerned).   | Yen 6 billion  |
| ix)   | Underground waste disposal (excluding waste disposal stipulated in the foregoing items of the table, and including transport and waste disposal of nuclear fuel material, etc. on the site incidental to the underground waste disposal concerned).  | Yen 1 billion  |
| x)    | Waste management of vitrifying materials other than nuclear fuel material and other useful materials among materials separated from solutions of spent fuel (excluding waste disposal stipulated in item (vi) of the table, and including transport and waste disposal of nuclear fuel material, etc. on the site incidental to the waste management concerned). | Yen 6 billion  |
| xi)   | Waste management other than that stipulated in the preceding item of the table (excluding waste disposal stipulated in items (i) and (ix) of the table, and including transport and waste disposal of nuclear fuel material, etc. on the site incidental to the waste management concerned).   | Yen 1 billion  |
| xii)  | Transport of nuclear fuel material, etc. incidental to reactor operation, fabricating, reprocessing, use of nuclear fuel material, underground waste disposal, and waste   | Yen 1 billion  |

management (excluding transport stipulated in other items of the table).

- xiii) Transport of the nuclear fuel material mentioned in sub-paragraph (ii)(c) of the preceding Section, spent fuel, liquids other than nuclear fuel material and other useful materials among materials separated from solutions of spent nuclear fuel, or the vitrifying material of the liquids, incidental to reactor operation, fabricating, reprocessing, use of nuclear fuel material, and waste management [excluding transport stipulated in items (i) to (viii), and (x) of the table]. Yen 6 billion
- xiv) Waste disposal of nuclear fuel material, etc. incidental to reactor operation, fabricating, reprocessing, use of nuclear fuel material, underground waste disposal, and waste management (excluding waste disposal stipulated in items (i) to (xi) of the table, and including transport of nuclear fuel material, etc. for the waste disposal concerned). Yen 1 billion

Section 3 (Omitted)

Supplementary Provisions (Omitted)

**THE LAW ON INDEMNITY AGREEMENTS FOR COMPENSATION OF NUCLEAR DAMAGE\***  
**(Law No. 148 of 17th June 1961, as last amended on 27th May 1988)**

(Definitions)

Section 1

As used in this Law, "reactor operation, etc." means reactor operation, etc. as provided in Section 2, paragraph 1 of the Law on Compensation for Nuclear Damage (Law No. 147, 1961, hereinafter referred to as "the Compensation Law"), "nuclear damage" means nuclear damage as provided in Section 2, paragraph 2 of the Compensation Law, "nuclear operator" means nuclear operator as provided in Section 2, paragraph 3 of the Compensation Law [except the nuclear operator as provided in Section 2, paragraph 3, sub-paragraph (i)2], "nuclear ship" means nuclear ship as provided in Section 2, paragraph 4 of the Compensation Law, "financial security" means financial security as provided in Section 6 of the Compensation Law, "financial security amount" means the financial security amount as provided in Section 7, paragraph 1 of the Compensation Law, and "liability insurance contract" means liability insurance contract as provided in Section 8 of the Compensation Law.

(Indemnity agreements for compensation of nuclear damage)

Section 2

The Government may conclude an agreement with a nuclear operator under which the Government undertakes to indemnify the nuclear operator for his loss arising from compensating the nuclear damage not covered by a liability insurance contract and other means for compensating nuclear damage in case the nuclear operator becomes liable, and under which the nuclear operator undertakes to pay an indemnity fee to the Government.

(Indemnified loss)

Section 3

The loss which the Government indemnifies under the agreement as provided in the preceding Section (hereinafter referred to as "indemnity agreement") shall be the loss suffered by the nuclear operator as a result of compensating the nuclear damage mentioned in the following cases:

- i) nuclear damage caused by an earthquake or eruption;
- ii) nuclear damage caused by normal operation (which means reactor operation, etc. performed under the conditions provided by the Cabinet Order\*\*);

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\* Unofficial translation by the Secretariat

\*\* Cabinet Order No. 45 of 6th March 1962 is referred to throughout the Law.  
Note by the Secretariat.

- iii) nuclear damage which can be covered by a liability insurance contract, but for which the persons suffering therefrom have not claimed compensation within a period of ten years from the day of the occurrence of the event (with regard to the nuclear damage appearing in such period, this shall apply only to the case where there is a justifiable reason for their failure to claim compensation within such period);
- iv) nuclear damage which occurs due to the visit of a nuclear ship in foreign waters, but which cannot be covered by the financial security or other arrangements for compensation of nuclear damage as provided in Section 7, paragraph 1 of the Compensation Law (limited to the financial security approved as a part of the financial security provided for in Section 7-2, paragraph 1 of the Compensation Law);
- v) nuclear damage as provided in the Cabinet Order other than that mentioned in the preceding sub-paragraphs.

(Indemnity agreement amount)  
Section 4

The contracted amount concerning an indemnity agreement for the nuclear damage mentioned in the preceding Section sub-paragraphs (i) to (iii) and (v) (hereinafter referred to as "indemnity agreement amount") shall be the amount equivalent to the amount of the financial security as provided in Section 7, paragraph 1 of the Compensation Law (in case the financial security includes an arrangement other than the conclusion of a liability insurance contract and an indemnity agreement, this amount shall be reduced by the amount available for compensation of nuclear damage by means of such other arrangement; in case an indemnity agreement other than the indemnity agreement concerned has been concluded, this amount shall be reduced by the amount available for compensation of nuclear damage by means of such other indemnity agreement).

2. The indemnity agreement amount for the nuclear damage mentioned in the preceding Section sub-paragraph (iv) shall be the amount equivalent to the amount of the financial security as provided in Section 7-2, paragraph 1 of the Compensation Law (in case the financial security and other arrangements for compensation of nuclear damage as provided in Section 7, paragraph 1 of the Compensation Law are approved as a part of the financial security provided for in Section 7-2, paragraph 1 of the Compensation Law, this amount shall be reduced by the amount available for compensation for nuclear damage by means of such other financial security).

(Period of indemnity agreement)  
Section 5

The period of the indemnity agreement concerning the nuclear damage mentioned in Section 3, sub-paragraphs (i) to (iii) and (v) shall run from the time of its conclusion to the time when the reactor operation, etc. has ceased.

2. The period of the indemnity agreement concerning the nuclear damage mentioned in Section 3, sub-paragraph (iv) shall run from the time when the nuclear ship leaves the Japanese water basin to the time when the nuclear ship arrives in the Japanese water basin.

(Indemnity fee)  
Section 6

The annual amount of the indemnity fee shall be equivalent to the amount computed by multiplying the indemnity agreement amount by the rate as provided in the Cabinet Order, taking into account the probability of the occurrence of damage covered by the indemnity agreement and the expenditures of the Government for dealing with the indemnity agreement and other conditions concerned.

(Payment under the indemnity agreement)  
Section 7

The Government shall, according to an indemnity agreement, indemnify up to the indemnity agreement amount for the loss suffered by the nuclear operator as a result of compensating the nuclear damage caused by the reactor operation, etc. performed during the period of the indemnity agreement concerned.

2. In case the Government indemnifies the loss suffered by the nuclear operator as a result of compensating the nuclear damage mentioned in Section 3, sub-paragraphs (i) to (iii) and (v), if there is any amount to be covered by the liability insurance contract, the total sum paid from the indemnity agreement shall not exceed the amount computed by deducting the amount paid from the liability insurance contract from the financial security amount (or the amount computed by deducting the amount paid from the liability insurance contract from the financial security amount further reduced by the amount available for compensation of nuclear damage by means of other arrangements, which the financial security concerned includes, excepting the liability insurance contract and the indemnity agreement).

(Financial limit of indemnity agreements)  
Section 8

The Government shall conclude indemnity agreements to the extent that the total sum of the indemnity agreement amount does not exceed the amount approved by the National Diet in each fiscal year.

(Duty to notify)  
Section 9

When concluding an indemnity agreement, a nuclear operator shall, pursuant to the provisions of the Cabinet Order, notify the Government of important facts regarding reactor operation, etc. The same shall apply where there is a change in the notified facts.

(Specifications by Cabinet Order)  
Section 10

The conclusion of an indemnity agreement, and the date of payment of the indemnity fee, the date of payment under the indemnity agreement and other necessary matters regarding the payment of the indemnity fee and payment under the indemnity agreement shall be provided by Cabinet Order.

(Prescription)  
Section 11

The right to receive payment from an indemnity agreement shall be extinguished two years after the nuclear operator has paid compensation.

(Subrogation, etc.)  
Section 12

Where the Government has indemnified according to an indemnity agreement, if the nuclear operator who is a party to the indemnity agreement has a right of recourse against a third party, the Government shall take over that right up to an amount not exceeding the amount indemnified. If a nuclear operator has received payment by exercising his right of recourse, the Government shall be exonerated from its obligation to indemnify the amount not exceeding the amount of the payment.

(Reimbursement of the sum paid under an indemnity agreement)  
Section 13

Where the Government has indemnified the loss suffered by the nuclear operator as a result of compensating the nuclear damage mentioned in the following sub-paragraphs, the Government shall require the nuclear operator to reimburse pursuant to the provisions of the Cabinet Order:

- i) nuclear damage arising from a fact which the nuclear operator who is a party to the indemnity agreement has failed to notify pursuant to Section 9, or which he has notified falsely;
- ii) nuclear damage caused by the reactor operation, etc. performed during the period from the day when the nuclear operator has received from the Government notice of cancellation of the indemnity agreement pursuant to Section 15, to the day prior to the day when the cancellation comes into force.

(Cancellation of an indemnity agreement)  
Section 14

Where the nuclear operator who is a party to the indemnity agreement has provided financial security other than that which includes the conclusion of the indemnity agreement concerned, the Government may accept an offer for the cancellation of the indemnity agreement, or may cancel it.

2. Cancellation of the indemnity agreement as provided in the preceding paragraph shall take effect immediately.

#### Section 15

The Government may cancel the indemnity agreement where the nuclear operator who is a party to the indemnity agreement has committed one of the following offences:

- i) violated the provisions of Section 6 of the Compensation Law;
- ii) failed to pay the indemnity fee;
- iii) failed to notify pursuant to Section 9 or notified falsely;
- iv) failed to take the measures pursuant to Section 21-2, Section 35, Section 48, Section 51-16, Section 57, paragraph 1 or 2, Section 58, paragraph 1 or 2, Section 59, or Section 59-2, paragraph 1 of the Law for the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors (Law No. 166, 1957);
- v) violated the provisions of the indemnity agreement laid down in accordance with the Cabinet Order.

2. Cancellation of an indemnity agreement pursuant to the preceding paragraph shall take effect upon a lapse of ninety days from the day when the nuclear operator, who is a party to the indemnity agreement, has received a notice of the cancellation.

(Fines)

#### Section 16

Where the nuclear operator, who is a party to the indemnity agreement, violates a provision of the indemnity agreement laid down in accordance with the Cabinet Order, the Government may impose a fine pursuant to the Cabinet Order.

(Management of affairs)

#### Section 17

The affairs of the Government as provided in this Law shall be taken in charge by the Director-General of the Science and Technology Agency.

2. The Director-General of the Science and Technology Agency shall, on the occasion of the cancellation of an indemnity agreement as provided in Section 15, ask the prior opinion of the Minister of International Trade and Industry in cases related to reactors for electrical power generation (which means the reactors as provided in Section 3, paragraph 4 of the Atomic Energy

Basic Law (Law No. 186, 1955) or the prior opinion of the Minister of Transport in cases related to reactors installed in vessels.

Supplementary Provisions (Omitted)