

○Act on the Indemnification of Damage to Works of Art in Exhibitions(Act No. 17 of 2011)

(Purpose)

Article 1 The purpose of this Act is to support the holding of exhibitions in order to enable the expansion of opportunities for the general public to enjoy works of art and thereby contribute to the development of culture through the Government establishing a system to indemnify for damage in the event of damage being caused to the works of art on loan to the organizer of the exhibition for the purpose of the exhibition.

(Definitions)

Article 2 In this Act, the terms set forth in the following items shall have the meanings as defined in the respective items.

- (i) "Work of art" means a painting, sculpture, artifact or other movable property which is a tangible cultural product.
- (ii) "Exhibition" means an event for the purpose of public viewing of works of art, which is held in one of the following establishments.
 - (a) An art museum established by the National Museum of Art (Incorporated Administrative Agency).
 - (b) A museum established by the National Institute for Cultural Heritage (Incorporated Administrative Agency).
 - (c) In addition to the establishments given in (a) and (b), those museums which have been provided for in Article 2, paragraph (1) of the Museum Act (Act No. 285 of 1951) or those establishments designated as being establishments which are equivalent to museums in accordance with the provisions of Article 29 of the same Act.

(Indemnity Contract)

Article 3 (1) The Government may enter into a contract (hereinafter referred to as "indemnity contract") with the organizer of the exhibition as the other party to the contract promising to indemnify the owner for damage in the event of damage being caused to the works of art on loan to the organizer for the purpose of the exhibition. In such case, consideration shall be given to contribute to the holding of an exhibition in the establishments given in item (ii) (c) of the preceding Article.

- (2) The exhibition given in the first sentence of the preceding paragraph shall satisfy the scale, theme and other requirements prescribed in the Ordinance of the Ministry of Education, Culture, Sports, Science and Technology as contributing to the expansion of opportunities for the general public to enjoy works of art.
- (3) The organizer of the exhibition of the first sentence of paragraph (1) shall be a person who possesses the financial base and technical capability necessary for smooth and appropriate implementation of such exhibition.

(Indemnification)

Article 4 (1) The indemnification of the Government pursuant to the indemnity contract shall be within the limit of the amount prescribed in each respective item (the sum total of the amount given in each respective item in cases coming under all of the cases listed in the following items, and where the amount

prescribed in such item or the sum total is in excess of the amount prescribed in the Cabinet Order (hereinafter referred to as "maximum amount of indemnification"), the maximum amount of indemnification) in the cases given in the following items. In such case, the amount of damage covered by indemnity (meaning the damage provided for in the indemnity contract as damage covered by indemnity through the indemnity contract but excluding damage caused by the organizer of the exhibition, who is the other party to the indemnity contract, in violation of the provision of Article 6; the same shall apply hereinafter) shall be calculated using the agreed appraised value (meaning the value prescribed in the indemnity contract as the value of the subject work of art) of the subject work of art (meaning the work of art stipulated in the indemnity contract as being covered for damage through the indemnity contract out of the works of art which are on loan for the purpose of the exhibition to the organizer of the exhibition, who is the other party to the indemnity contract; the same shall apply hereinafter).

- (i) Where the sum total of the amount of damage covered by indemnity (except for damage owing to an earthquake or other damage coming under the damage prescribed in the Cabinet Order (referring to the "specified damage" given in the following item)) incurred with regard to the subject work of art pertaining to the indemnity contract exceeds the amount prescribed in the Cabinet Order, such excess amount.
- (ii) Where the sum total of the amount of damage covered by indemnity (limited to damage coming under specified damage) incurred with regard to the subject work of art pertaining to the indemnity contract exceeds the amount prescribed in the Cabinet Order, such excess amount.
- (2) In establishing the Cabinet Order referred to in item (i) and item (ii) of the preceding paragraph relating to the sum total of the amount of damage covered by indemnity, consideration shall be given to enable the holding of a diverse range of exhibitions.
- (3) The requirements relating to the method of calculation of the amount of indemnification for each subject work of art pertaining to the indemnity contract shall be prescribed by the Ordinance of the Ministry of Education, Culture, Sports, Science and Technology.

(Limit for the Conclusion of the Indemnity Contract)

Article 5 The Government shall enter into a indemnity contract within a scope where the sum of the total amount of the agreed appraised value pertaining to the indemnity contracts concluded in one fiscal year (the sum total of the agreed appraised value of the subject works of art pertaining to one indemnity contract (where such sum total is in excess of the maximum amount of indemnification, such maximum amount)) does not exceed the amount approved by a resolution of the Diet for each fiscal year.

(Handling of the Subject Works of Art)

Article 6 The organizer of the exhibition, who is the other party

to the indemnity contract, shall comply with the standards prescribed by the Ordinance of the Ministry of Education, Culture, Sports, Science and Technology as being necessary in preventing damage in the exhibiting, transport and other handling of the subject works of art.

(Collection of Reports)

Article 7 The Government may make a request to the organizer of the exhibition, who is the other party to the indemnity contract, for a report on the implementation status of the exhibition within the extent necessary for enforcement of this Act.

(Prescription)

Article 8 The right to receive the payment of indemnification shall be extinguished through prescription if it is not exercised within three (3) years.

(Residual Subrogation)

Article 9 If the Government has paid indemnification in cases where the whole of a subject work of art has been lost, the Government shall be subrogated to the owner in relation to the ownership or any other real right of the owner by operation of law with regard to the subject work of art in proportion to the agreed appraised value of such amount of indemnification.

(Subrogation of the Right of Claim)

Article 10 If the Government has paid indemnification, the Government shall be subrogated, by operation of law, to the owner in relation to the claim acquired by the owner of the subject work of art through the occurrence of the damage covered by indemnity (meaning the “acquisition claim of the owner” in item (ii)) to the extent of whichever is smaller of the following amounts.

- (i) The amount of indemnification paid by the Government.
- (ii) The amount of the acquisition claim of the owner.

(Cancellation of the Indemnity Contract)

Article 11 The Government may cancel the indemnity contract toward the future when one of the grounds coming under the following items arises:

- (i) The exhibition pertaining to the indemnity contract no longer satisfies the requirements stipulated in Article 3, paragraph (2).
- (ii) The organizer of the exhibition, who is the other party to the indemnity contract, falls under one of the following sub-items.
 - (a) It no longer satisfies the requirements prescribed in Article 3, paragraph (3).
 - (b) It has violated the provision of Article 6.
 - (c) It has not made a report in accordance with the provision of Article 7 or has made a false report.
 - (d) It has contravened the clauses of the indemnity contract.

(Administration of Duties)

Article 12 (1) The Minister of Education, Culture, Sports, Science and Technology shall be in charge of the duties of the Government provided for in this Act.

(2) If the Minister of Education, Culture, Sports, Science and Technology intends to enter into an indemnity contract, the Minister shall hear in advance the opinion of the Council for Cultural Affairs as well as consult the Minister of Finance.

(Entrustment of Duties)

Article 13 The Minister of Education, Culture, Sports, Science and Technology may, pursuant to the provisions of the Cabinet Order, entrust part of its duties based on the indemnity contract to a non-life insurance company provided for in Article 2, paragraph (4) of the Insurance Business Act (Act No. 105 of 1995) or a foreign non-life insurance company, etc. provided for in paragraph (9) of the same Article.

(Entrustment to the Ordinance of the Ministry of Education, Culture, Sports, Science and Technology)

Article 14 In addition to the provisions of this Act, the procedures for the conclusion of the indemnity contract and other matters necessary in implementing this Act shall be provided for by the Ordinance of the Ministry of Education, Culture, Sports, Science and Technology.

Supplementary Provisions

(Effective Date)

1. This Act shall come into effect from the date specified by a Cabinet Order within a period not exceeding two months from the day of promulgation.

(Review)

2. The Government shall, approximately three (3) years after the enforcement of this Act, review the scope of the indemnification of the Government pursuant to the indemnity contracts taking into account the status of enforcement of this Act, the changes in social and economic conditions and the perspective of further expansion of opportunities for the general public to enjoy works of art and, if it deems it to be so necessary, shall take required measures based on the results of the review.

(Partial Revision of the Act on the Establishment of the Ministry of Education, Culture, Sports, Science and Technology)

3. The Act on the Establishment of the Ministry of Education, Culture, Sports, Science and Technology (Act No. 96 of 1999) shall be partially revised as follows:

“, Article 12, paragraph (2) of the Act on the Indemnification of Damage to Works of Art in Exhibitions (Act No. 17 of 2011)” shall be added under “Article 7, paragraph (3)” in Article 30, paragraph (1), item (v).