

Japan Foundation Regulations for the Administration of the Designated Donations Program

October 1, 2003
Regulation No. 71 of Fiscal 2003

Note: This is not an official translation; it is for reference purposes only.

Revision: June 16, 2016, Regulation No. 17 of Fiscal Year 2016

Chapter 1. General Rules

Article 1. Objectives

The purpose of these Regulations is to stipulate important matters pertaining to the Designated Donations received by The Japan Foundation (hereinafter referred to as the "Foundation") for the purpose of achieving the objectives of Article 3 of The Law of the Japan Foundation (hereinafter referred to as the "Law"), procedures for receiving Designated Donations, the scope of the projects eligible for the allocation of Designated Grants, procedures pertaining to the allocation of Designated Grants, and other matters pertaining to the handling of Designated Donations, and thus contribute to the proper management of administrative matters pertaining to Designated Donations by the Foundation.

Article 2. Definitions

- 1 In these Regulations, the meanings of the terms given in each of the following items shall be defined as stipulated in each item:
 - (1) *Designated Donations*
Those donations to the Foundation that are contributed in order to fund the Designated Grants stipulated in these Regulations.
 - (2) *Donors*
Individuals, legal entities, and other organizations that make donations to the Foundation.
 - (3) *Designated Donation Proposal Submitter*
Individuals, legal entities, and other organizations that follow the proposal and remittance procedures for Designated Donations with the Foundation.
 - (4) *Designated Grants*
Funds and other assets allocated by the Foundation to Grantees in order to cover the expenses required to implement Grant-Financed Projects as stipulated in these Regulations.
 - (5) *Grant-Financed Projects*
Projects for which Designated Grants are decided to be given.
 - (6) *Grantees*
Grant recipients who implement Grant-Financed Projects.
- 2 In these Regulations, "Designated Donations" shall also include assets other than monies (limited to goods; the same shall apply hereinafter).

Chapter 2. Acceptance of Designated Donations

Article 3. Requirements for Designated Donation Proposal Submitters

Limited to cases where a Designated Donation Proposal Submitter fulfils the following

requirement (1) or (2), and where requirement (3) is satisfied, the President may accept a proposal for a Designated Donation.

- (1) The Designated Donation Proposal Submitter shall be an organization, etc. that plans to collect donations in Japan for an eligible project (when the Grantee itself plans to collect donations, the Grantee may be a Designated Donation Proposal Submitter).
- (2) The Designated Donation Proposal Submitter shall be an individual, corporation, etc. in Japan that plans to donate to an eligible project.
- (3) The Designated Donation Proposal Submitter shall not fall under the definition of "Anti-Social Forces" (groups or individuals that pursue economic benefit by making full use of violence, force and/or fraudulent means), which is specified in Article 2(2)1 of the Japan Foundation's Regulations with Regard to Dealing with Anti-Social Forces (2015 Regulation No. 52).

Article 4. Proposals for Designated Donations

- 1 Designated Donation Proposal Submitter shall submit documentation stating the details of the Grant-Financed Project(s) for Designated Grants, the amount(s) of the Designated Donation(s) and other matters to the President of the Foundation (hereinafter referred to as the "President").
- 2 The Designated Donation Proposal Form (Form No. 1) must be used for the documentation referred to in the preceding Paragraph. In such cases, said documentation shall be accompanied by the following documents:
 - (1) Designated Donation Donor's Affidavit (Form No. 2).
 - (2) Designated Grant Grantee's Agreement (Form No. 3).
 - (3) List of Original Donors (Form No. 4).
 - (4) Designated Donation Collection Plan (Form No. 5).
 - (5) Documentation describing a relationship between the Designated Donation Proposal Submitter and the Grantee, and other matters that may serve as reference.
 - (6) A brief summary of the career or history of the Designated Donation Proposal Submitter.
 - (7) A brief summary of the career or history of the Grantee.
 - (8) Documents other than those given in 1 through 7 above that the President deems to be necessary.
- 3 In the case where the implementation period for a Grant-Financed Project is long, the implementation period per proposal shall be within three years, in principle, and remittance of Designated Donation shall be completed by the end of said project implementation period.
- 4 The President shall accept a proposal for a Designated Donation only if the requirements given in the following items are satisfied, in principle:
 - (1) The proposed amount of Designated Donation per proposal shall be at least 1,000,000 yen.
 - (2) The List of Original Donors (Form No. 4) or the Designated Donation Collection Plan (Form No. 5) shall clearly indicate that the Designated Donation Proposal Submitter is scheduled to receive at least 30% of the proposed amount of Designated Donation set forth in the preceding item (if said amount is less than 500,000 yen, at least 500,000 yen).

Article 5. Decision on Acceptability of Designated Donations

- 1 When documentation has been submitted under the provisions of Paragraph 1 of Article 4, the President shall promptly examine the contents thereof and make a decision on the acceptability of the Designated Donation. In such a case, the President shall also investigate the relationship between the Grantee and the Donor(s) associated with the Designated Donation in question, as well as other matters, before making a decision on the acceptability of the Designated Donation.
- 2 When making the decision on the acceptability of the Designated Donation, the President shall consult with a Screening Committee as stipulated elsewhere.
- 3 When making the decision on the acceptability of the Designated Donation, the President shall respect the opinions of the Screening Committee.

Article 6. Notification of Acceptance of Designated Donations

After reaching a decision on the acceptability of a Designated Donation, the President shall notify the Designated Donation Proposal Submitter to that effect in writing without delay. In such cases, the documentation associated with the notification shall be the forms stipulated in each of the following items in accordance with the circumstances given:

- (1) When the President has decided to accept the Designated Donation:
Notification of Acceptance of Designated Donation (Form No. 6)
- (2) When the President has decided not to accept the Designated Donation:
Notification of Rejection of Designated Donation (Form No. 7)

Article 7. Conditions Attached to a Decision to Accept a Designated Donation

- 1 In cases where the President notifies a Designated Donation Proposal Submitter of their decision to accept a Designated Donation, the conditions given in the following items shall be attached thereto:
 - (1) When the Designated Donation Proposal Submitter raises the donation from other parties, the Designated Donation Proposal Submitter shall not accept a donation from a party that falls under the definition of “Anti-Social Forces” (groups or individuals that pursue economic benefit by making full use of violence, force and/or fraudulent means), which is specified in Article 2(2)1 of the Japan Foundation’s Regulations with Regard to Dealing with Anti-Social Forces (2015 Regulation No. 52), and shall bear all responsibility for the collection thereof.
 - (2) When the Designated Donation Proposal Submitter intends to alter details of the Grant-Financed Project, plans pertaining to raising donations, or other matters stated in the documents specified in Paragraph 1 of Article 4 and Paragraph 2 of the same Article, the Designated Donation Proposal Submitter shall (except in cases of minor changes) report in advance and in writing to the President on the matters whose alteration is intended, their details and the reasons therefor, and obtain the President's approval thereof, or instructions, which shall be followed.
 - (3) When the donation associated with the proposal for a Designated Donation includes assets other than monies, the President shall attach the condition that the Donor shall bear the expenses required for providing said assets other than monies for use in the Grant-Financed Project.
 - (4) Other conditions that the President deems to be necessary.
- 2 In the case where a Designated Donation Proposal Submitter who has been subjected to conditions under the provisions of the preceding Paragraph has violated the conditions given in the items of the preceding Paragraph or where false statements have been

made in the Designated Donation Proposal Form, the President may decide not to accept the donation associated with the proposal of that Designated Donation Proposal Submitter. In such cases, the President shall notify the Designated Donation Proposal Submitter to that effect in writing.

- 3 The provisions of the Article 6 (limited to the portions associated with Item 2) shall apply *mutatis mutandis* to cases where the President submits a written notification under the provisions of the preceding Paragraph.

Article 8. Treatment in the Case Where the Amount of Designated Donation Has Been Determined, etc.

- 1 When any of the following items has come to apply to a Designated Donation Proposal Submitter, that Designated Donation Proposal Submitter shall notify the President to that effect in writing without delay:
 - (1) When the amount of the Designated Donation, which had not yet been determined at the time of proposing the Designated Donation, has been determined and the Donor has been identified and it has become possible to remit the Designated Donation to the Foundation.
 - (2) When it has become impossible to remit the Designated Donation to the Foundation.
- 2 In cases where the President has received a report pertaining to Item 1, he shall make the decision to accept the Designated Donation associated with said report, and in the case where he has received a report pertaining to Item 2 in the preceding Paragraph, or where he has not received a report as referred to in the same Paragraph even after considerable time has elapsed, he shall make the decision not to accept the Designated Donation.
- 3 The provisions of Article 6 (Notification of Acceptance of Designated Donations, limited to the portions pertaining to Item 2 of the same Article) shall apply *mutatis mutandis* in the case of the situation mentioned in the second clause of said preceding Paragraph.

Article 9. Remittance of Designated Donations to the Foundation

When any of the following items has come to apply to a Designated Donation Proposal Submitter, that Designated Donation Proposal Submitter shall remit the Designated Donation associated with the notification to the Foundation's bank account as specified by the President:

- (1) When a Designated Donation Proposal Submitter who proposed a Designated Donation whose amount had been determined at the time of the proposal has been notified of the decision to accept the Designated Donation referred to in Article 6.
- (2) When a Designated Donation Proposal Submitter who proposed a Designated Donation whose amount had not yet been determined at the time of the proposal has been notified of the decision to accept the Designated Donation referred to in Article 6 and has submitted a report as mentioned in Paragraph 1 of the preceding Article.

Article 10. Issuance of Receipts to Donors

When a Designated Donation has been remitted to the Foundation, the President shall, under the provisions of Item 1, Paragraph 3, Article 47-2 (Certification Matters Concerning Deductions for Donations) of the Income Tax Law Enforcement Regulations (Ministerial Ordinance No. 11, 1965, of the Ministry of Finance) or Item 1 of Article 24 (Certification Documents for Corporations that Make Marked Contributions to the Public Good) of the Corporation Tax Law Enforcement Regulations (Ministerial Ordinance No. 12, 1965, of the Ministry of Finance), immediately issue a receipt addressed to the Donor adding a note to the

effect that the donation in question is a donation associated with the principal activities of the Foundation and send it to the Designated Donation Proposal Submitter.

Chapter 3. Allocation of Designated Grants

Article 11. Scope of Grant-Financed Projects

- 1 The Grant-Financed Projects that the Foundation considers eligible for allocations of Designated Grants are as follows:
 - (1) Projects involving the dispatch or invitation of appropriate persons for the purposes of international cultural exchange.
 - (2) The establishment or operation of institutions for Japanese studies overseas, projects involving the dispatch of scholars, the distribution of materials, the research activities of persons involved in Japanese studies, and other projects associated with Japanese studies overseas.
 - (3) Projects promoting the spread of the Japanese language through the training and dispatch of specialists in the teaching of the Japanese language, research into teaching methods or the development and distribution of teaching materials, and other methods.
 - (4) Projects for the implementation of performances, exhibitions, lectures, seminars, and other events for the purposes of international cultural exchange.
 - (5) Projects involving the preparation, compilation, exchange, or distribution of publications, audio-visual materials, and electromagnetic recording media that are necessary for introducing Japanese culture overseas and for other aspects of international cultural exchange.
 - (6) Projects to help maintain facilities for educational or cultural activities for the purpose of international cultural exchange, and to purchase goods for educational or cultural activities for international cultural exchange, and to donate such goods (limited to the donation of the goods contributed to the Japan Foundation).
 - (7) Projects involving investigations and research necessary for international cultural exchange.
- 2 Notwithstanding the Regulation set forth in the preceding Paragraph, projects that fall under any of the following items shall not be Grant-Financed Projects:
 - (1) Projects on themes in the area of natural science or technology.
 - (2) Projects that use the Designated Grant as an initial endowment for a newly established foundation or organization.
 - (3) Projects that use the Designated Grant to cover operating expenses of an organization.

Article 12. Requirements for Grant-Financed Projects

Limited to cases where a Grant-Financed Project fulfills all the following requirements, the President may allocate a Designated Grant to the Grantee who will implement said Grant-Financed Project:

- (1) The Grant-Financed Project shall not be for profit-making or advertising purposes.
- (2) The results of the implementation of the Grant-Financed Project shall be spread widely and universally.
- (3) It must be recognized that the achievement of the objectives of the Grant-Financed Project would be impossible or difficult without the allocation of said Designated Grant.
- (4) The plan and method of the Grant-Financed Project shall be appropriate for

achieving the objectives, and it should be expected that the project will yield sufficient results.

- (5) Grant-Financed Projects shall not be used for religious or political purposes.
- (6) There shall be no special relations between the Donor and the Grantee that may hamper a fair and proper implementation of the Grant-Financed Project.

Article 13. Requirements for Grantees

1 Limited to cases where a Grantee fulfils all the following requirements, the President may allocate a Designated Grant to the Grantee.

- (1) The Grantee shall be a legal entity or other organization whose purpose is the public good (limited to those whose articles of association, endowment, terms and conditions, etc., stipulate the appointment of a representative, or manager; hereinafter referred to throughout this Article as "charitable organizations, etc.") and which possesses an office (in cases where the Grant-Financed Project to be implemented falls under the projects given in Item 2 of Article 11 [Scope of Grant-Financed Projects], limited in principle to Grantees that have offices overseas).
- (2) The Grantee shall have the organizational, personnel, and other capabilities necessary for implementing the Grant-Financed Project with certainty.
- (3) The implementation of the Grant-Financed Project and the receipt of the allocation of the Designated Grant shall not violate any laws and ordinances, etc.
- (4) The charitable organizations, etc., in question and their officers shall not have engaged in acts that are deemed inappropriate.
- (5) The Grantee shall not fall under the definition of "Anti-Social Forces" (groups or individuals that pursue economic benefit by making full use of violence, force and/or fraudulent means), which is specified in Article 2(2)1 of the Japan Foundation's Regulations with Regard to Dealing with Anti-Social Forces (2015 Regulation No. 52).

2 Notwithstanding the Regulation set forth in the preceding Paragraph, entities that fall under any of the following items shall not be Grantees:

- (1) The Government of Japan (including national lower and upper secondary schools and any other national institutions), local public entities (including public universities, public lower and upper secondary schools and any other public institutions), incorporated administrative agencies, local incorporated administrative agencies, national university corporations, and subordinate organizations of any of these.
- (2) Foreign governments (administrative organs such as ministries and agencies; provided, however, that these shall exclude educational institutions, such as national schools, cultural facilities, such as art museums, and cultural organizations) and embassies and consulates general in Japan.
- (3) Intergovernmental institutions to which the Government of Japan makes contribution.

Article 14. Informal Notification of Allocation of Designated Grant

1 When a donation has been remitted to the Foundation, the President shall immediately notify the Grantee associated with the Grant-Financed Project in question in writing of the planned allocation of the Designated Grant, the Grant-Financed Project subject to the allocation of the Designated Grant, the amount of the Designated Grant, the conditions attached to the allocation of the Designated Grant, and the time limit stipulated by the President under the provisions of Paragraph 1 of Article 15, and other matters.

- 2 The Informal Notification of Designated Grant Allocation (Form No. 8) shall be used for documentation of the preceding Paragraph.

Article 15. Application for Allocation of Designated Grant

- 1 When a Grantee receives the notification referred to in Paragraph 1 of Article 14, said Grantee shall, as indicated in said notification and within the time limit stipulated by the President, make a written statement to the President to the effect that the Grantee will accept said allocation of a Designated Grant.
- 2 The Application form for Designated Grant Allocation (Form No. 9) shall be used for the documentation of the preceding Paragraph.
- 3 When a Grantee who has received the notification of Paragraph 1 of Article 14 does not submit the documentation of Paragraph 1, said Grantee shall submit documentation to the effect that it shall not submit said documentation [of Paragraph 1] to the President within the time limit of said Paragraph.
- 4 When the Grantee submits documentation to the President to the effect that it shall not make the submission as referred to in the preceding Paragraph, or does not submit to the President the documentation of Paragraph 1, or the documentation to the effect that it shall not make the submission as referred to in the preceding Paragraph within the time limit of Paragraph 1, the President shall notify the Designated Donation Proposal Submitter associated with said Grantee to that effect.

Article 16. Notification of Decision to Allocate a Designated Grant, etc.

- 1 When the documentation of Paragraph 1 of Article 15 has been submitted, the President shall immediately reach a decision on whether or not to approve the allocation of the Designated Grant associated with said documentation after examining its contents, and notify the Grantee in writing of the details of said decision (including the conditions for the allocation and other matters prescribed in Article 17, in cases where the decision approves said allocation).
- 2 When the President has decided to allocate the Designated Grant, the Notification of Decision to Allocate Designated Grant (Form No. 10) shall be used as the documentation associated with the notification of the preceding Paragraph.
- 3 When the President makes the notification of Paragraph 1, he/she shall also notify the Designated Donation Proposal Submitter associated with the Grant-Financed Project of the details of the decision prescribed in the same Paragraph.
- 4 When the President has decided to allocate the Designated Grant, he/she shall immediately allocate the amount associated with said decision to the Grantee associated with the Designated Grant.

Article 17. Conditions for Allocating Designated Grants

- 1 In connection with the allocation of a Designated Grant, the President shall impose the conditions given below upon the Grantee:
 - (1) The Grantee shall bear all responsibility for the implementation of the Grant-Financed Project.
 - (2) The Grantee shall implement the Grant-Financed Project in conformance with the conditions prescribed in this Article.
 - (3) The total amount of the Designated Grant and the fruits arising from the Designated Grant shall be applied to the expenses required for implementing the Grant-Financed Project.
 - (4) It shall be explicitly mentioned that the Grantee has been helped by a Designated Grant from the Foundation in the implementation of a Grant-Financed Project.

- (5) When any of the circumstances given below comes to apply to the Grantee, the Grantee shall submit a written report to the President to that effect in advance, and obtain the President's approval or instructions:
 - (a) When the Grantee intends to alter the details of the plan associated with the implementation of the Grant-Financed Project (excluding cases where said changes are minor, or cases where (b) applies).
 - (b) When it has become impossible to complete the Grant-Financed Project within the scheduled time (excluding cases where (c) applies).
 - (c) When it has become impossible to complete all or part of the Grant-Financed Project.
 - (d) When the Grantee no longer satisfies any of the requirements given in each of the items of Article 13 (Requirements for Grantees).
 - (6) When the implementation of the Grant-Financed Project extends over a long period, the Grantee shall without delay comply when the President, as necessary, seeks reports or explanations in connection with the implementation status of the Grant-Financed Project, the status of Designated Grant expenditure, and other matters concerning the Grant-Financed Project.
 - (7) On completion of the Grant-Financed Project, the Grantee shall submit a written report to the President on the implementation status of the Grant-Financed Project and the status of income and expenditure associated with the Grant-Financed Project within two months of the completion date. However, in the case where the implementation period for the Grant-Financed Project exceeds one year, the Grantee shall submit a written interim report for each year that passes to the President on the implementation status of the Grant-Financed Project, together with a report on the status of income and expenditure associated with the Grant-Financed Project for said year within two months of the date of passage of said year.
 - (8) With regard to a project for establishing a fund or increasing the amount thereof, the Grantee shall, in addition to the documentation specified in the preceding Item, submit a written report to the President on the implementation status of the Grant-Financed Project and the status of income and expenditure associated with the Grant-Financed Project immediately after the end of each business year for a period of three years after completing the establishment of the fund or the increase of the amount thereof.
- 2 The documentation specified in Item 7 and Item 8 of the preceding Paragraph shall be the Report on Grant-Financed Project Implementation, Income and Expenditure (Form No. 11); the documentation specified in the proviso of Item 7 of the preceding Paragraph shall be the Interim Report on Grant-Financed Project Implementation, Income and Expenditure (Form No. 12).

Article 18. Confirmation of Implementation of Grant-Financed Projects

- 1 When the Grantee does not submit the documentation of Item 7 of Paragraph 1 of Article 17 within the time limit stipulated in the same Item, or when deemed necessary in a case where said documentation has been submitted, employees of the Foundation shall question the Grantee in connection with matters that should be stated in said documentation, or inspect the Grantee's books and records.
- 2 When it is deemed necessary after confirming the status of implementation of Grant-Financed Projects, the President shall give the Grantee the prescribed instructions.

Article 19. Refunds of Designated Grants

- 1 When any of the following applies, the President shall seek a refund of the Designated Grant after setting a time limit therefor:
- (1) When false statements have been made in the Application for Allocation of a Designated Grant.
 - (2) When the Grant-Financed Project has been discontinued or it is recognized that it cannot be executed.
 - (3) When it is recognized that the Grant-Financed Project no longer conforms to the requirements given in each of the items of Article 12 (Requirements for Grant-Financed Projects).
 - (4) When it is recognized that the execution of the Grant-Financed Project notably violates the contents of the decision to allocate the Designated Grant or the conditions attached thereto.
 - (5) When the Grantee refuses, obstructs, or evades the questioning or inspection of Paragraph 1 of Article 18 without justifiable reason, or does not comply with the instructions of Paragraph 2 of the same Article.
 - (6) When the Grantee violates other stipulations of these Regulations.
- 2 In cases where the Grantee receives an instruction to refund the Designated Grant in relation to the measure under the provisions of Paragraph 1, the Grantee shall pay an additional amount calculated at a rate of 10.95 percent per annum of the amount of the Designated Grant (if a part of the amount has already been paid, the rate for the period after said payment shall be a rate of 10.95 percent per annum of the amount of the Designated Grant deducting the already paid amount) according to the number of days from the date of receipt of the Designated Grant associated with said instruction to the date of the payment.
- 3 In cases where the Grantee receives an instruction to refund the Designated Grant but fails to make the payment by the due date, the Grantee shall pay an arrear calculated at a rate of 10.95 percent per annum of the amount of the Designated Grant according to the number of days from the day following the due date to the date of the payment.
4. When it is recognized that there are unavoidable circumstances in the cases referred to in the preceding two Paragraphs, the President may exempt the Grantee from paying all or part of the additional amount or arrear as provided for separately.

Chapter 4. Miscellaneous Provisions

Article 20. Omission of Procedures, etc.

When it is recognized that there are constraints under foreign laws and ordinances or customs, or other unavoidable circumstances, the President may omit the application of part of the provisions of Article 4 and Article 6 through Article 8 (Procedures Pertaining to the Acceptance of Designated Donations) and Article 14 through Article 16 (Procedures Pertaining to the Allocation of Designated Grants) (including the forms associated with these provisions), or apply these provisions after partially altering them.

Article 21. Detailed Regulations for Implementation

Detailed regulations and other necessary office procedures for the implementation of these Regulations shall be as stipulated elsewhere.

Supplementary Provisions (October 1, 2003, Regulation No. 71 of Fiscal Year 2003)

These Regulations shall be enforced from October 1, 2003.

Supplementary Provisions (June 16, 2016, Regulation No. 17 of Fiscal Year 2016)
These Regulations shall be enforced from July 1, 2016.