



We, with the advice of Our Privy Council, hereby give
Our Sanction to the present Law of Finance and order it to
be promulgated.

[His Imperial Majesty's Sign-Manual.]

[Privy Seal.]

The 11th day of the 2nd month of the 22nd year of Meiji.

(Countersigned) Count Kuroda Kiyotaka,
Minister President of State.

Count Ito Hirobumi,
President of the Privy Council.

Count Okuma Shigenobu,
Minister of State for Foreign Affairs.

Count Saigo Tsukumichi,
Minister of State for the Navy.

Count Inouye Kaoru,
*Minister of State for Agriculture and
Commerce.*

Count Yamada Akiyoshi,
Minister of State for Justice.

Count Matsugata Masayoshi,
*Minister of State for Finance, and
Minister of State for Home Affairs.*

Count Oyama Iwao,
Minister of State for War.

Viscount Mori Arinori,
Minister of State for Education.

Viscount Enomoto Takeaki,
Minister of State for Communications.

THE LAW OF FINANCE.

CHAPTER I.

GENERAL RULES.

ARTICLE I.

The financial year of the Government shall commence on the 1st day of the 4th month in each year, and end on the 31st day of the 3rd month of the following year.

All transactions of matters relating to receipt and disbursement of the revenues and expenditures of each financial year, shall be completed on the 31st day of the 11th month of the following financial year.

ARTICLE II.

All receipts from taxes and all other resources shall be treated as revenues, and all expenses, as expenditures. Revenues and expenditures shall be embodied in the general budget.

ARTICLE III.

Sums appropriated for each financial year shall not be applied to the payment of expenses belonging to another financial year.

ARTICLE IV.

No Government Office is allowed to keep special funds other than those provided for by law or ordinance.

CHAPTER II.

BUDGET.

ARTICLE V.

The general budget of annual revenues and expenditures

shall be laid before the Imperial Diet of the previous year, at the beginning of its session.

ARTICLE VI.

The general budget of annual revenues and expenditures shall be divided into two parts, the ordinary and extraordinary; and each part shall be subdivided into Titles and Paragraphs.

The following documents shall accompany the budget for the information of the Imperial Diet:—

1. Paper stating the amount of the estimated expenses demanded by the respective Departments of State. In this paper, every item in each Paragraph shall be explicitly stated.
2. Paper stating the actual accounts of the revenue and expenditure of the financial year, ended on the 31st day of the 3rd month of the current year.

ARTICLE VII.

The reserves to be provided in the budget shall be divided into the following two classes:—

- 1st reserve.
- 2nd reserve.

The first reserve shall be used to supply deficiencies, which are unavoidable in the budget.

The second reserve shall be used to meet necessary expenses unprovided for in the same.

ARTICLE VIII.

The account of sums defrayed out of the reserve shall, after the lapse of the financial year, be laid before the Imperial Diet, and its approbation shall be sought.

ARTICLE IX.

The maximum amount of the Treasury Bills to be issued during each financial year, shall be determined with the

consent of the Imperial Diet.

CHAPTER III.

RECEIPTS.

ARTICLE X.

Taxes and other revenues shall be raised in accordance with the provisions of laws and ordinances.

Taxes and other revenues shall not be levied except by officials qualified therefor by law or ordinance.

CHAPTER IV.

EXPENDITURES.

ARTICLE XI.

The amount appropriated for the expenses of the Government for each financial year, shall be defrayed out of the revenues of the same financial year.

ARTICLE XII.

The Ministers of State shall not apply the appropriations for any object other than that prescribed in the budget; nor are they permitted to interchange the amounts of appropriation in each Paragraph one for the other.

The Ministers of State shall hand over to the Treasury all receipts under their control, and shall not make use of them directly.

ARTICLE XIII.

The Ministers of State shall draw order of payment upon the Treasury, in order to defray the expenses appertaining to their respective administrations.

The power to issue order of payment, however, may be delegated to other functionaries in accordance with rules specially provided for.

ARTICLE XIV.

The Treasury shall not make payment on such orders, as are contrary to the provisions of laws and ordinances.

ARTICLE XV.

The Ministers of State shall not issue order of payment, except in favour of a legitimate creditor of the Government or his agent.

For the expenses enumerated here-below, the Ministers of State may, however, issue order of advance payment in cash, in order to delegate the power of cash payment to competent officials or to banks specially assigned by the Government.

1. Payment on the principal and interest of national debts.
2. Expenses of troops and fleets, and Government vessels.
3. Expenses of Government Offices abroad.
4. All expenses to be paid in foreign countries, besides those mentioned in the preceding clause.
5. Expenses to be paid in those districts in the interior, where the means of transportation and communication are incomplete.
6. Those miscellaneous ordinary expenses in the different Government Offices, of which the whole annual amount is below five hundred *yen*.
7. Expenses of Offices, the situation of which can not

be settled in one place.

8. Expenses of works carried out under direct supervision of the different Government Offices, provided such expenses do not exceed three thousand *yen* for each superintending official.

CHAPTER V.

FINAL ACCOUNTS.

ARTICLE XVI.

General final accounts to be laid by the Government before the Imperial Diet, after it has received the verification of the Board of Audit, shall be drawn up in the same form as the general budget, and shall contain explicit statements of accounts as to the following particulars:—

REVENUES.

- Estimated amount of revenues.
- Ascertained amount of revenues.
- Amount of revenues received.
- Amount of revenues not yet received.

EXPENDITURES.

- Estimated amount of expenditures.
- Amount of expenditures increased after the determination of the budget.
- Amount of expenditures, for which order of payment had been issued.
- Amount to be carried over to the next financial year.

ARTICLE XVII.

The following documents shall accompany the general final

accounts mentioned in the preceding Article, together with the report of verification of the Board of Audit:—

1. Reports on final accounts submitted by the respective Departments of State.
2. Accounts of the national debts.
3. Accounts of cases in which special modes of treatment are allowed.

CHAPTER VI.

TERMS OF PRESCRIPTION.

ARTICLE XVIII.

As to those liabilities of the Government, of which the creditor has not made the demand of disbursement or of payment within five years, after the end of the financial year, in which the payment should have been made, they shall be considered to have passed the term of prescription, and the Government shall be free from the liability. But in case the term of prescription is fixed by a special law, the provision of such law shall be followed.

ARTICLE XIX.

When, concerning any amount of moneys due to the Government, a person has not received notice for payment within five years, after the end of the financial year, in which such payment should have been made, he shall be freed from the liability. But in case the term of prescription is fixed by a special law, the provision of such law shall be followed.

CHAPTER VII.

SURPLUS. TRANSFER OF APPROPRIATIONS TO ANOTHER
FINANCIAL YEAR. RECEIPTS NOT PROVIDED
IN THE BUDGET. REFUNDING OF
APPROPRIATIONS.

ARTICLE XX.

When there occurs a surplus in the annual accounts of a financial year, it shall be carried over to the revenues of the next financial year.

ARTICLE XXI.

In case any express permission is specially provided in the budget, or in case expenses have not been wholly paid out during a financial year, on account of delays caused by unavoidable circumstances in the progress of any work or manufacture, which had to be completed within the said financial year, the appropriations may be carried over to, and disbursed in, the succeeding year.

ARTICLE XXII.

In case the total amount of a continuing expenditure fund is determined for any work, manufacture, or any other undertakings, which require a number of years for completion, the surplus of each financial year may be successively carried over and disbursed until the end of the year, in which the said work, manufacture or other undertakings shall be finished.

ARTICLE XXIII.

Money paid back for refunding sums which had been paid out in mistake or had been overpaid, receipts belonging to a financial year of which the accounts of receipts and payment has been finished, and all other receipts not provided in the

budget, shall be taken into the revenue of the current financial year. However, in the case of an advance payment, of a disbursement in approximate amounts, or of a disbursement by a temporary interchange of items, which has been made in accordance with the provisions of law or Imperial Ordinance, the sums of money paid back may be applied for refunding the respective appropriations, out of which they had been originally paid.

CHAPTER VIII.

WORKS UNDER THE GOVERNMENT. THE SALE AND PURCHASE, AND LENDING AND BORROWING OF OBJECTS

ARTICLE XXIV.

Excepting the cases otherwise prescribed by law or Imperial Ordinance, works under the Government, and the sale and purchase and lending and borrowing of articles shall be put to competition, by giving public notice. In the following cases, however, contracts may be entered into at discretion, without resorting to the competitive means:—

1. In the case of the purchase or borrowing of articles in the exclusive possession of a single person or company.
2. In the case of works to be carried out, or of articles to be purchased or sold, or to be lent or borrowed, under circumstances requiring the actions of the Government to be kept secret.
3. In the case of extraordinary urgency, when there is no time to put to competition the undertaking of a work, or the purchase or sale, or borrowing or lend-

ing of articles.

4. In the case of articles which, on account of their peculiar nature, or on account of the special object for which they are to be used, require to be purchased directly in the place of production or manufacture, or from the producers or manufacturers.
5. In the case of the purchase of manufactures or instruments, which cannot be manufactured except by special artists.
6. In the case of the purchase or lease of lands and buildings, requiring particular situation or construction.
7. In the case of contracts relating to works, and of the purchase or borrowing of articles, of which the cost or value does not exceed five hundred *yen*.
8. In the case of the sale of movable properties, the estimated value of which does not exceed two hundred *yen*.
9. In the case of the purchase of men of war.
10. In the case of the purchase of horses in the Army.
11. In case a work or manufacture is caused to be undertaken, or some articles are purchased, for experimental purposes.
12. In the case of the employment of the poor belonging to a charity establishment, or in the case of the direct purchase of things produced or manufactured therein.
13. In the case of the employment of convict labour, or of the direct purchase of things manufactured by the same, or in the case of the direct purchase of articles, produced or manufactured at an agricultural or industrial establishment under the control of the Government.
14. In the case of the sale of articles produced or manufactured at an agricultural or industrial establishment under the Government, or an establish-

ment under the Government for charity education, or by convict labour.

ARTICLE XXV.

No payment shall be made in advance for works or manufacture, or for the purchase of articles, excepting in cases of men of war, arms and ammunitions.

CHAPTER IX.

ACCOUNTING OFFICIALS.

ARTICLE XXVI.

Officials, who are charged with the receipt and disbursement of cash and with serving articles in and out, that belong to the Government, shall be responsible in every case for the money and articles under their management, and receive the verification and decision of the Board of Audit.

ARTICLE XXVII.

In case where the officials mentioned in the preceeding Article lose or injure the cash or articles, by fire or flood, or by being robbed of, or by any other causes, they shall not be relieved from their responsibility, unless, by proving to the Board of Audit that the loss or injury has been unavoidable in connection with the custody, they shall have received decision of the said Board, discharging them from the responsibility for the same.

ARTICLE XXVIII.

The officials, who may be required to deposit security for being charged with the receipt or disbursement of cash and with serving articles in and out, shall be determined by Imperial Ordinance.

ARTICLE XXIX.

The capacity to order payment and that of dealing with the receipt and disbursement of money, shall not be combined in one person at the same time.

CHAPTER X.

MISCELLANEOUS RULES.

ARTICLE XXX.

In case when it is difficult to follow the provisions of the present Law on account of special requirements, a special mode of treatment may be allowed.

The establishment of a special mode of treatment shall be effected by law.

ARTICLE XXXI.

The Government may entrust the Nippon Ginko with the management of the Treasury funds.

CHAPTER XI.

SUPPLEMENTARY RULES.

ARTICLE XXXII.

The provisions of the present Law not relating to the Imperial Diet shall come in force from the 1st day of the 4th month of the 23rd year of Meiji; and those relating to the Imperial Diet shall come in force from the time of its opening.

The provisions of the present Law relating to the final accounts shall have application from the accounts of the financial year, for which the vote of the Imperial Diet shall have been obtained.

ARTICLE XXXIII.

Laws and ordinances, which are incompatible with any provision of the present Law, shall be repealed from the day of the coming in force of such provision.
