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Passage of the Japan Integrated Resorts Act

An Overview of the New Casino Gaming Law in Japan

On Thursday, Dec. 15, 2016, the Act Concerning Promotion of Development of Integrated Resort Areas (the IR Act) was passed into law by the Japanese National Diet (*i.e.*, parliament). With passage of the IR Act, Japan has introduced the legalization of limited casino gaming in the form of integrated resorts (IRs), and abandoned its long held comprehensive ban on casinos.

I. Past, Present, and Future of the IR Act and IRs in Japan

A) Background

An alliance of 74 Japanese lawmakers formed in April 2010 in an effort to introduce integrated resorts in Japan. This alliance drafted the original version of the IR bill in 2011. An updated version of the bill was first submitted to Japan's National Diet in December 2013, but failed to pass due to insufficient political support.

Political support grew over the past three years, and the alliance of pro-gaming lawmakers eventually expanded to over 200 politicians. Ultimately, the IR bill received strong cross-party support from all major political parties in Japan, and only minor changes to the bill were needed to obtain sufficient votes for passage. Such changes mainly included incorporation of additional protections to prevent against problem gambling,¹ the chief issue that generated some political opposition.

¹ The added language can be found in Article 10 of the IR Act.

B) Where Gaming Currently Stands in Japan

The IR Act does not legalize wholesale casino gaming in Japan, but instead provides for the creation of a limited number of integrated resorts. Japanese IRs will integrate casinos with facilities such as international conference and exhibition centers, hotels, shopping centers, restaurants, theaters, amusement parks, sports complexes, and other similar attractions.

C) Moving Forward

The IR Act does not itself introduce a detailed regulatory framework for integrated resorts in Japan. Additional bill(s) will need to be enacted to create such regulations for the establishment of IRs in Japan. According to the IR Act, the “Government shall take necessary legislative measures approximately within one year after (the IR Act) comes into force” to enact these regulations.²

Nevertheless, given the time needed for selection of host city(ies), planning, construction, and other steps needed for integrated resorts to begin operations, it is commonly understood that the attempt to have integrated resorts in Japan prior to the 2020 Olympic games has been abandoned. There has instead been a shift in focus from IR development for the purpose of the 2020 Olympics, to a focus on attracting foreign tourists to Japan on an enduring basis into the future.

II. Prefectures and Cities Showing Interest in Integrated Resort Areas

Several cities and prefectures have expressed an interest in bidding for an integrated resort in their locality. Such cities and prefectures include Hokkaido, Akita, Tokyo, Yokohama, Chiba, Osaka, Wakayama, Nagasaki, Fukuoka, and Okinawa. The frontrunners thus far are generally understood to be Osaka and Yokohama.

It is still far too early to accurately forecast the sites for any integrated resorts. Locations selected for IR will be determined by the national government through an application process completed by the local governments interested in hosting an integrated resort.³ The local governments’ applications are expected to include information such as details concerning the business operators that will establish and operate the integrated resorts within the locale, as well as related business plans. The business operators will be selected through a separate bidding process carried out by the relevant local government.⁴

III. Conclusion

This *GT Alert* is limited in purpose only to provide a general background and overview of the Integrated Resorts Act and the introduction of legalized casino gaming in Japan. If you would like additional information on integrated resorts as they relate to Japan and Japanese law, please feel free to contact your Greenberg Traurig attorney.

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² Article 5 of the IR Act.

³ Article 2 of the IR Act.

⁴ Article 8 of the IR Act.

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