

**Guide to Application for NAR Owner Registration
(for Non-Residents of Japan)**

2018.7.20



Introduction

Thank you for your interest in the owner registration at the National Association of Racing (NAR).

The NAR decided to accept applications for owner registration from non-residents of Japan starting from April 2013.

It is quite possible that there are several differences in rules between horseracing managed by local governments (local government racing) and the situation to which you are accustomed as a horse owner in your country or region. We have, therefore, prepared this Guide and some other documents about NAR rules, and would ask you to read them thoroughly before your application.

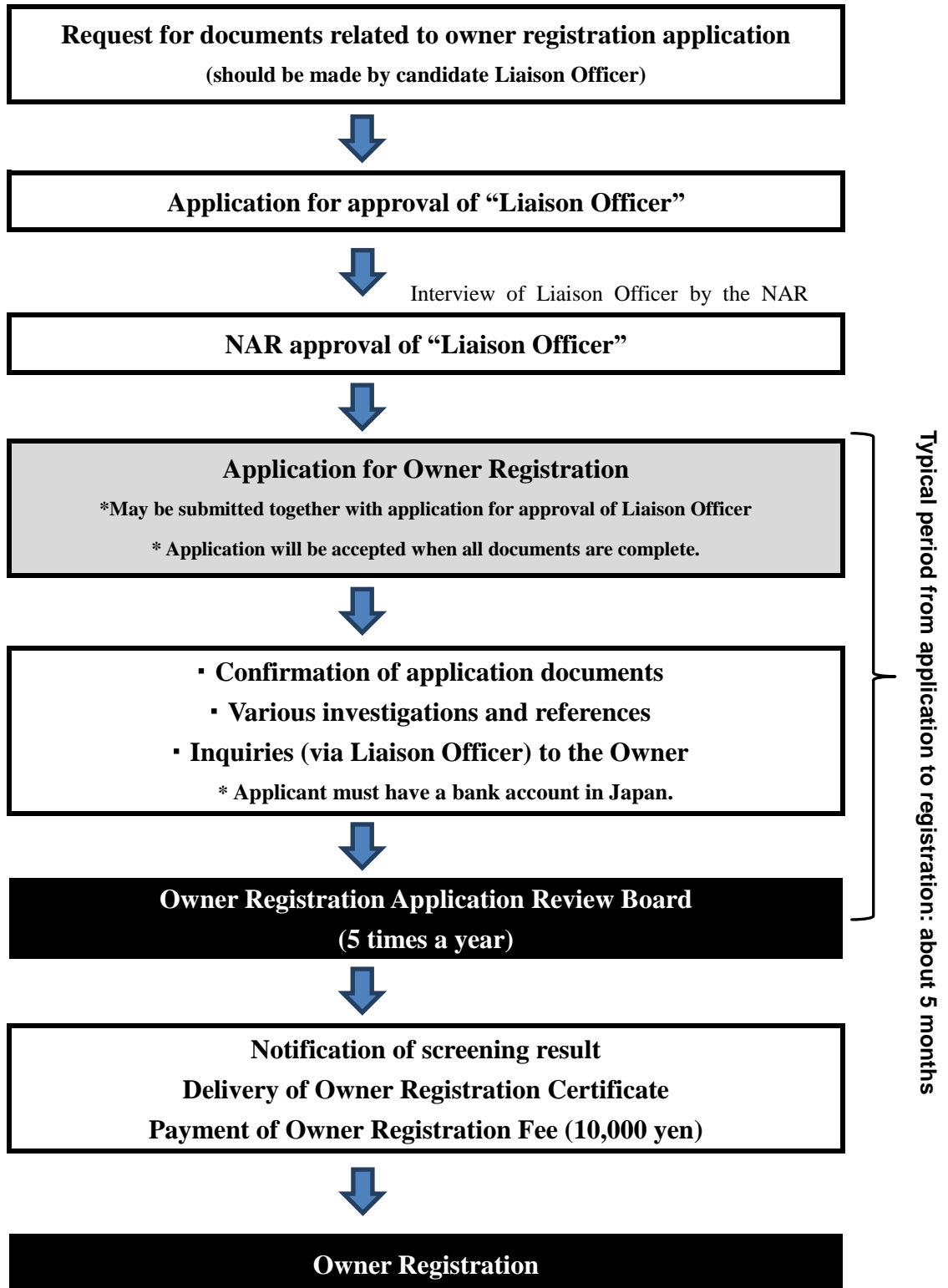
We should also point out that the NAR Owner Registration application will need to be accompanied by various types of supporting documents. While we appreciate how difficult it may be to gather all relevant materials, we hope you will understand that this process is necessary to ensure rigorous review of applications.

National Association of Racing

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• Flowchart from Application to Registration



● NAR Owner Registration System

As in the case of the Japan Racing Association (JRA), races managed by local governments (NAR races) are held under the strict supervision of the Japanese government in line with the special law and have grown with maintaining the integrity of horseracing as the most important task of the NAR. The same policy applies to owners, who play an extremely important role in horseracing. We are expected to rigorously screen their eligibility at the time of registration; detailed conditions for ineligibility are clearly set out in laws and regulations.

As such, we hope you will understand that the system of ownership in Japanese local government racing has been applied with utmost stringency ever since it was first devised as in the case of the JRA.

Specific grounds for ineligibility, as summarized in this Guide, are set out in the “The National Association of Racing Regulation of Operation Procedures.” Besides these, there are additional rules specified by the local governments managing NAR races (“Organizers” hereafter) and such rules are different among organizers. Many of these rules will probably differ from those that apply to racing in other countries where you are participating as owners. For your reference, we include “Questions and Answers on NAR Owner Registration” in this guide. We would like to ask you to read them thoroughly and understand the local government racing rules such as Program Outlines of various organizers before you apply.

The application documents will need to be drawn together by your Liaison Officer in Japan, who should then bring your application to the NAR. Please also understand that all NAR communications regarding your application will, in principle, be made through your Liaison Officer.

Should you be unclear about any aspect of the application process, please contact the following address.

**Registration Division, Licensing and Registration Department,
National Association of Racing (NAR)**

106-8639 ,2-1, Azabudai 2-chome, Minato-ku, Tokyo

【TEL】 03-3583-2142

【FAX】 03-3583-8874

● Conditions for NAR Owner Registration

Anyone applying for NAR Owner Registration (excluding special registration for international races) must satisfy the registration conditions set forth below.

Preconditions:

- Application for Owner Registration is accepted for individual owners only.
- The applicant must be registered or licensed as an owner under an overseas recognized racing authority.
- The applicant must have applied for approval of “Liaison Officer” domiciled in Japan, either before or at the same time as the application for owner registration, and this Liaison Officer must have been approved by the NAR.

Personal status

- The applicant must not be under adult guardianship or curatorship.
- The applicant must not have been sentenced to imprisonment without work or a heavier punishment, and must have spent at least ten years after completion of such punishment execution.
- The applicant must be at least 20 years old.
- The applicant must not be a bankrupt whose rights have not been restored or a person equivalent to this.
- The applicant must not be equivalent to any of the above statuses in a country outside Japan.
- The applicant must not be a person who could endanger the integrity of horseracing.
- The applicant must not fall under any of the descriptions specified in Article 5(1) to (10) and (12) as well as the subparagraphs of Article 10-6 of the “NAR Regulation of Operation Procedures” in addition to the foregoing items.

Financial status

- The applicant’s income must have been at least 5 million yen (salaries, business revenue, real estate, and other income may be included in this calculation only when they are expected to be receivable on a continuous basis in future).

* Amount of income will be calculated with using the assessed value and exchange rate nearest to the date of the review board.

* Income is calculated by subtracting necessary expenses from revenues.

* Besides the above, further details on owner registration can be found in the “NAR Regulation of Operation Procedures” etc.

● Documents Required

- (1) Application form (NAR-designated form)
- (2) Three(3) passport-size photographs (30 mm * 24 mm)
- (3) An official document stating the applicant's name, date of birth, place of birth, and family composition
- (4) A copy of the applicant's passport
- (5) A document certifying the applicant's current address
- (6) A document outlining the applicant's career (NAR-designated form)
- (7) Certification of owner status issued by an overseas-recognized racing authority
- (8) A document certifying that the applicant is not under adult guardianship or curatorship, and is not a person who would be treated as such under foreign law
- (9) A document certifying that the applicant is not a bankrupt whose rights have not been restored, or a person who would be treated as such under foreign law
- (10) A document certifying that the applicant has not been sentenced to imprisonment without work or a heavier punishment
- (11) Declaration (NAR-designated form)
- (12) Documents related to Liaison Officer *;see page 8
- (13) Copies of tax return documents for the year immediately before application (including attached documents)
- (14) Official documents showing the amount of tax paid or income received for the year immediately before application (including documents on the income)
- (15) A document certifying the applicant's assets such as a bank document and certificate of securities ownership
- (16) A document certifying the amount of debts
- (17) Declaration of Personal Assets and Debts (NAR-designated form)
- (18) Certified copy of the commercial register of the companies of the applicant (whether as owner or employee)
- (19) All statements of accounts of the applicant's companies (whether as owner or employee)
- (20) A document certifying that the applicant has a bank account in Japan (may be submitted after the end of screening)

* If any document submitted to the NAR is written in any language other than English, please submit English or Japanese translation along with the particular document.

* Please be aware that, besides the documents specified above, the NAR may request the submission of additional documents at its own discretion.

* The above documents should be brought to the NAR office by the applicant's registered Liaison Officer. All questions and other comments from the NAR concerning application documents for owner registration will be communicated via the Liaison Officer.

* The submitted documents will not be returned in principle. The NAR will take all due care in handling of the submitted documents, and will not use personal information for any purpose other than NAR owner registration.

* All certifying documents issued by public bodies or financial institutions should be dated no more than three months before the date of application.

* Owner registration fee of 10,000 yen will be payable upon registration.

● Requirements Concerning Liaison Officers

The NAR obliges the person without a domicile in Japan who wishes to apply for NAR Owner Registration to appoint a “Liaison Officer” who is a resident of Japan. The purpose of this appointment is to ensure smooth and prompt communications among the NAR, racing personnel, and the non-resident NAR owner. A Liaison Officer needs to be fluent in both Japanese and a language in which close communications can be maintained with the applicant.

The work undertaken by the Liaison Officer is detailed below, together with a definition of a person who is ineligible to become a Liaison Officer.

Work undertaken by the Liaison Officer

- Undertaking all administrative procedures related to gathering of required documents and their submission to the NAR so as to file an application for owner registration, communicating with the applicant whenever necessary, and responding to questions or requests from the NAR
- Gathering of documents required by an owner and their submission to the Organizer or the NAR after the applicant is registered as an NAR owner
- Liaising between the Organizer or the NAR and the Owner
- Receiving prizes on behalf of the owner
- In addition to the above undertakings, all administrative matters relating to the owner (except for the administrative procedures of horseracing performed by a trainer on behalf of the owner in accordance with the direction by the Organizer)

Person who is ineligible to be a Liaison Officer

- A person who is under adult guardianship or curatorship, or is a bankrupt whose rights have not been restored
- A person who has been sentenced to imprisonment without work, or a heavier punishment
- A person who has been punished with a fine for violating the provisions of the Horse Racing Law or other racing-related laws
- A person who has been prohibited or suspended from participating in horseracing
- Including the above, a person falling under Article 4 of the Detailed Regulations on the Liaison Officer of the Non-resident Owner (Notice No. 16 of FY 2012)

Documents required from Liaison Officer

- (1) Application form (NAR-designated form)
- (2) Two (2) photographs (30 mm * 24 mm) of upper-body shot of the applicant without headwear taken in the last three months
- (3) Certified copy of the candidate’s family register (not applicable to a foreigner)
- (4) Copy of the candidate’s resident card (for the household)
- (5) A document outlining the candidate’s career (NAR-designated form)
- (6) A document certifying that the candidate is not registered under adult guardianship or curatorship
- (7) An identification certificate issued by the head of the municipality in which the candidate’s registered domicile is located (NAR-designated form in case of a foreigner)
- (8) A copy of an agreement or other document signed by both the NAR Owner Registration applicant and the Liaison Officer

(If this document is not in Japanese or English, it should be accompanied by a Japanese translation. Refer to the “Points on Memorandum or Agreement Made between the Owner Registration Applicant and the Liaison Officer” below.)

(Note 1) As documents required, submit the documents within three months from the date of issuance.

(Note 2) Other documents considered necessary may be additionally requested.

* It is in principle prohibited that a Liaison Officer takes care of communications for several owners unless specially approved by the NAR. Contact us for details.

* In principle, Liaison Officers are expected to come in person to the NAR office, where they will be interviewed by the NAR.

Points on Memorandum or Agreement Made between the Owner Registration Applicant and the Liaison Officer

To be registered as an owner with the NAR, a non-resident must first enter an agreement with a “Liaison Officer” domiciled in Japan. This agreement must state that the owner will entrust to the Liaison Officer the duties specified in Article 5 of the “Detailed Regulations on the Liaison Officer of the Non-resident Owner” provided by the NAR in accordance with the provision of Article 2 (5) of such Regulations and must be signed by both parties.

The matters to be specified in the agreement are as follows. An application for registration will not be approved unless an agreement is made between the parties with which these matters are confirmed by them.

▪ Details of the work to be entrusted by the Non-resident Owner (applicant) to the Liaison Officer

* All duties specified in Article 5 of the Detailed Regulations on the Liaison Officer of the Non-resident Owner must be included here. Although other duties not specified in said Article (such as managing a bank account to handle prize money) may also be entrusted, please do not include matters that should be managed by a trainer (such as declaration to start)

▪ Prohibitions

▪ Circumstances under which the agreement could be made invalid

▪ The period of validity of the agreement

▪ Signatures of both the Non-resident Owner (applicant) and the Liaison Officer made when they confirm the agreement contents

A Sample Memorandum of Agreement is attached. Please feel free to use this format. *;see page 10 to 11

Memorandum of Agreement on the Work of a Liaison Officer (sample)

WHEREAS, this Memorandum shall specify requisite matters whereby _____, an applicant for owner registration with the NAR (hereinafter "Owner"), may properly and reasonably entrust the work of a "liaison officer" as specified in Article 10-4, Paragraph 3, of the NAR Regulation of Operation Procedures, to _____ (hereinafter "Liaison Officer"), who will undertake the work on behalf of Owner as an owner in the NAR.

Article 1 The Owner shall entrust the work related to the Owner's activities as an owner in the NAR to the Liaison Officer, and the Liaison Officer shall accept this work.

Article 2 The contents of the work to be entrusted to the Liaison Officer by the Owner shall be as follows:

- (1) Gathering documents that the Owner needs to submit to the NAR and submitting them to the NAR
- (2) Gathering documents that the Owner needs to submit to the organizer of local government racing and submitting them
- (3) Liaising between the NAR or the organizer of local government racing and the Owner
- (4) When the Owner registers a racehorse with the NAR, guaranteeing that the Owner holds ownership of that racehorse
- (5) Accepting and keeping schedules of race prize money won by the Owner, or sending them to the Owner
- (6) Accepting and keeping the Owners' prizes won by the Owner, or sending them to the Owner.
- (7) Liaising with trainers and other personnel entrusted with the training of the Owner's horse.

Article 3 The Liaison Officer must observe Japan's Horse Racing Law and other laws and regulations, and must also obey orders and instructions from the personnel of the NAR and NAR race organizers.

Article 4 The Liaison Officer may not engage in any of the following acts:

- (1) Carrying out administrative work related to the Owner's activities as an NAR owner without the Owner's consent
- (2) Carrying out administrative work that the trainer appointed by the organizer of the applicable NAR horse races should undertake on behalf of the Owner under the Racing Regulations in accordance with the provision of Article 17-6 of the Order for Enforcement of the Horse Racing Law
- (3) Undertaking business related to horse racing other than the work performed on behalf of the Owner inside NAR race facilities without the consent of the applicable NAR race organizer.
- (4) Entering NAR organizer facilities for the purpose of communications on behalf of the Owner without wearing the pass etc. issued by the applicable NAR race organizer.
- (5) Besides the above, engaging in acts that could reasonably be deemed to compromise the integrity of horseracing.

● Other Matters

When applying for NAR Owner Registration, please be fully acquainted with the following points.

- An Owner not domiciled in Japan (“Non-resident Owner”) may only register racehorses that are owned 100% by that Non-resident Owner. In this respect, please be aware that ownership by lease or syndicate, as is quite common overseas, is not permitted for Non-resident Owners.
- A Non-resident Owner may register one horse born abroad for every five Japanese-born registered horses he/she owns. However, this provision does not apply to a horse born abroad if that horse has been registered for flat races at the NAR or has been registered at the JRA before.
- To enter his/her horse in races, the owner is required to entrust the horse to the organizer’s stable in advance. Since some organizers limit the number of horses that can be entrusted and the number of entrusted horses per stable, make sure to check the regulations.
- For an owner’s horse to be registered with the NAR, it must be entrusted to an NAR-licensed trainer (except for the case where a foreign-trained horse is entered in an international race). A foreign-bred horse that has raced overseas may not be entrusted to an NAR trainer at present.

*In addition to the above, applicants are asked to familiarize themselves with the NAR Regulation of Operation Procedures and Program Outlines of the Organizers and ensure they are fully conversant with NAR rules before application.

• Questions & Answers on NAR Owner Registration

About Owner Registration

- Q1: What are conditions for a non-resident of Japan to be registered as an NAR owner?
- Q2: Where should I direct my inquiry or application?
- Q3: How is eligibility screening conducted?
- Q4: Is it possible to reduce the number of documents for application?
- Q5: I have previously entered my horse in international races. What happens to that owner registration?
- Q6: What sort of procedures will be required if I take up residence in Japan?
- Q7: Are there any special conditions for applicants and owners not domiciled in Japan?
- Q8: What happens when a non-resident owner's overseas owner registration becomes invalid?
- Q9: Will my owner registration be cancelled if I no longer own a racehorse?
- Q10: What is the system of racing colors registration?

About the Liaison Officer

- Q11: What is the role of Liaison Officer?
- Q12: Can the Liaison Officer be a foreign national domiciled in Japan?
- Q13: Who is not eligible to be a Liaison Officer?
- Q14: Can I ask someone who has already been approved as another NAR owner's Liaison Officer to take care of my communications?
- Q15: I have no problem at all with communicating in Japanese; do I still need to appoint a Liaison Officer?
- Q16: What must I do if I want to change my Liaison Officer?
- Q17: What should I do if the post of my Liaison Officer becomes vacant due to an accident etc.?
- Q18: Can the NAR recommend a Liaison Officer for an applicant who has no acquaintances domiciled in Japan?

Q1. What are conditions for a non-resident of Japan to be registered as an NAR owner?

- A. A non-resident of Japan must not fall under the ineligibility conditions specified in Article 10-6 and 10-10 under the NAR Statement of Operational Procedures. Other requirements are as follows:
- ◆ The applicant must be registered or licensed as an owner at an overseas-recognized racing authority.
 - ◆ The applicant must have appointed a “Liaison Officer” domiciled in Japan who has been approved by the NAR.

Q2. Where should I direct my inquiry or application?

- A. Contact the office below. When applying for registration, your Liaison Officer should come in person to the NAR office.

<p style="text-align: center;">Registration Division, Licensing and Registration Department, National Association of Racing (NAR) 106-8639 ,2-1, Azabudai 2-chome, Minato-ku, Tokyo 【TEL】 03-3583-2142 【FAX】 03-3583-8874</p>

Q3. How is eligibility screening conducted?

- A. The main details subject to screening are the applicant’s personal and financial status. For the personal status, we check that there is no problem with the applicant in terms of upholding the integrity of horseracing. As to the financial status, we check whether the applicant has sufficient income to maintain a racehorse in training with a trainer on a continuous basis. Specifically, yearly income of at least 5 million yen is required and this income needs to be expected continuously in the future.
- Based on the results of screening by two review bodies, the NAR then makes the final decision on the registration.

Q4. Is it possible to reduce the number of documents for application?

- A. Besides the applicant’s personal status, the NAR also investigates closely whether the applicant has the financial means to maintain a racehorse in training with a trainer. We hope you will understand that, since the sustainability of the applicant’s income is subject to particularly rigorous screening, the applicant needs to submit documents related to tax returns etc.
- It should be added that we require a wide range of documents to be submitted not only by applicants without a domicile in Japan, but also by residents of Japan.

Q5. I have previously entered my horse in international races. What happens to that owner registration?

- A. Owner registration for international races is cancelled immediately after completion of the applicable races. It is different from the owner registration whereby your horse is permanently entrusted to an NAR-licensed trainer. The latter should be seen as an application for a completely new owner registration.

Q6. What sort of procedures will be required if I take up residence in Japan?

A. You will need to submit the necessary documents again if you become a resident of Japan. Please contact the NAR as soon as possible if you are planning to take up residence in Japan, since the conditions for an owner's activities will be changed.

Q7. Are there any special conditions for applicants and owners not domiciled in Japan?

A. Please understand the following points that are transitional measures for introducing the new system:

- ◆ Only the horses owned 100% by the owner can be registered as racehorses with the NAR.
- ◆ A Non-resident Owner may register one horse born abroad for every five Japanese-born registered horses he/she owns. However, this provision does not apply to a horse born abroad if that horse has been registered for flat races at the NAR or has been registered at the JRA before.
- ◆ To enter his/her horse in races, the owner is required to entrust the horse to the Organizer's stable in advance. Since some Organizers limit the number of horses that can be entrusted and the number of entrusted horses per stable, make sure to check the regulations.

Q8. What happens when a non-resident owner's overseas owner registration becomes invalid?

A. Since one of the conditions for a non-resident owner is registration (or license) as an owner with recognized overseas racing authorities, the NAR owner registration will also be cancelled.

Q9. Will my owner registration be cancelled if I no longer own a racehorse?

A. If an owner goes a whole year without owning an NAR registered racehorse, the owner must either immediately acquire a registered racehorse or acquire a registered racehorse after taking certain procedures. If not, the owner registration will be cancelled.

Q10. What is the system of racing colors registration?

A. We do not have any racing colors registration at the NAR. In local government races, each Organizer accepts registration of racing colors by jockey, not by owner. Only in limited races by some Organizers, use of racing colors by owner is admitted with registration in advance.

Q11. What is the role of Liaison Officer?

A. The Liaison Officer acts on behalf of the non-resident owner. In addition to all administrative duties related to application for owner registration at the NAR, the Liaison Officer serves for ensuring smooth and prompt communications and coordination between the non-resident owner and the NAR, organizers, and trainer where the horses are entrusted after the applicant is registered as an NAR owner. Naturally, the Liaison Officer must be domiciled in Japan.

Q12. Can the Liaison Officer be a foreign national domiciled in Japan?

A. A foreign national can be a Liaison Officer if he/she is recorded in the Residential Basic Book in Japan. In that case, the documents required for application are partially different from those required for a Japanese national. The Liaison Officer is required to have a good command of Japanese including reading and writing. Further, the work as the Liaison Officer should not be in violation of the Immigration Control and Refugee Recognition Act or other legislation for his/her status.

Q13. Who is not eligible to become a Liaison Officer?

A. The eligibility rules disqualify anyone who is under adult guardianship, anyone who is a bankrupt whose rights have not been restored, anyone who has been sentenced to imprisonment without work or a heavier punishment, anyone who has been prohibited or suspended from participating in horseracing, NAR-registered owners, trainers, and other stable-related personnel (including the JRA's stable-related personnel), and anyone who is not fluent in both Japanese and the language in which he or she can maintain communications with the non-resident owner (or applicant).

Q14. Can I ask someone who has already been approved as another NAR owner's Liaison Officer to take care of my communications?

A. In principle, it is prohibited that a single Liaison Officer carries out work for several owners unless particularly allowed by the NAR. Contact us for details.

Q15. I have no problem at all with communicating in Japanese; do I still need to appoint a Liaison Officer?

A. The work of a Liaison Officer includes completing various administrative procedures and receiving prizes, which should be carried out by someone domiciled in Japan. Therefore, all non-residents of Japan (even those who are fluent in Japanese or have Japanese nationality) are expected to appoint a Liaison Officer.

Q16. What must I do if I want to change my Liaison Officer?

A. You will need to submit the necessary documents related to a new Liaison Officer and obtain approval from the NAR. When a change is likely to occur, you are asked to file an application as soon as possible, to ensure there is no break in your representation between Liaison Officers.

Q17. What should I do if the post of my Liaison Officer becomes vacant due to an accident, etc.?

A. If the vacancy continues for a long term, the owner registration will be cancelled. You should appoint a new Liaison Officer as soon as possible. Please note that candidate Liaison Officers are not always approved depending on the result of the NAR's review.

Q18. Can the NAR recommend a Liaison Officer for an applicant who has no acquaintances domiciled in Japan?

A. The NAR does not offer such a service.