

# Foreign Exchange and Foreign Trade Act

(Act No. 228 of December 1, 1949)

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## Chapter I General Provisions

(Purpose)

Article 1 The purpose of this Act is, on the basis of the freedom of foreign exchange, foreign trade and other foreign transactions, to enable proper expansion of foreign transactions and the maintenance of peace and security in Japan and in the international community through the minimum necessary control or coordination of foreign transactions, and thereby to ensure equilibrium of the international balance of trade and stability of currency as well as to contribute to the sound development of the Japanese economy.

Article 2 Deleted.

Article 3 Deleted.

Article 4 Deleted.

(Scope of Application)

Article 5 This Act shall also apply to acts committed in a foreign state by a representative, agent, employee or other worker of a juridical person having its

principal office in Japan in regard to the property or business of the juridical person. The same shall apply to acts committed in a foreign state by a person having his/her domicile in Japan, or an agent, employee or other worker of that person in regard to the property or business of the person.

(Definitions)

Article 6 (1) In this Act or orders based on this Act, the meanings of the terms listed in the following items shall be as prescribed respectively in those items.

- (i) The term "Japan" shall mean Honshu, Hokkaido, Shikoku, Kyushu, and other dependent islands thereof specified by the Ordinance of the Ministry of Finance and the Ordinance of the Ministry of Economy, Trade and Industry.
- (ii) The term "foreign state" shall mean the area outside Japan.
- (iii) The term "Japanese currency" shall mean the currency denominated in Japanese yen.
- (iv) The term "foreign currency" shall mean any currency other than Japanese currency.
- (v) The term "residents" shall mean natural persons having their domicile or residence in Japan and judicial persons having their principal office in Japan. The branch offices, local offices or other offices in Japan of non-residents, irrespective of whether they have legal authority of representation, shall be deemed to be residents even if their principal office is located in a foreign state.
- (vi) The term "non-residents" shall mean natural persons and juridical persons other than residents.
- (vii) The term "means of payment" shall mean the following.
  - (a) Banknotes, government money bills, small money bills, and coins
  - (b) Checks (including traveler's checks), bills of exchange, postal money orders, and letters of credit
  - (c) Proprietary nature inputted in vouchers, electronic equipment, or other objects (referred to as "Vouchers, etc." in Article 19, paragraph 1) by electromagnetic devices (meaning electronic means, magnetic means or other means that are imperceptible by humans), which may be used for mutual payment among unspecified or many persons (limited to those of which the status of use is specified by Cabinet Order as approximate to that of a currency)
  - (d) Those specified by Cabinet Order as equivalent to those listed in (a) or (b)
- (viii) The term "foreign means of payment" shall mean a foreign currency or other means of payment (excluding Japanese currency) which is denominated in a foreign currency, irrespective of the unit of the currency, or may be used for payment in a foreign state.
- (ix) Deleted.

- (x) The term "precious metal" shall mean gold bullion, gold alloy bullion, gold coins out of circulation, or other objects principally made of gold.
- (xi) The term "securities" shall mean public bonds, corporate bonds, shares, equity in investment, certificates granting rights to public bonds or shares, bonds, treasury securities, mortgage securities, profit certificates, coupons, dividend certificates, renewal coupons or other securities or certificates specified by Cabinet Order as similar thereto, irrespective of whether they have been materialized or not.
- (xii) The term "foreign securities" shall mean securities receivable in a foreign state or securities denominated in a foreign currency.
- (xiii) The term "claims" shall mean time deposit, current deposit, special current deposit, deposit at notice, insurance policies and current account balance, and monetary claims arising from loans, bids or other reasons, which are not listed in any of the preceding items.
- (xiv) The term "futures contract on a financial index, etc." shall mean a contract pertaining to securities index futures trading, etc. prescribed in Article 2, paragraph 21 of the Securities and Exchange Act, securities options trading prescribed in paragraph 22 of the said article (limited to those pertaining to transactions listed in item 2 of the said paragraph, which are specified by Cabinet Order; hereinafter the same shall apply in this item), securities futures trading in the foreign market prescribed in paragraph 23 of the said article (limited to trading similar to securities index futures trading, etc. prescribed in paragraph 21 of the said article and securities options trading prescribed in paragraph 22 of the said article), forward trading in an over-the-counter securities index, etc. prescribed in paragraph 25 of the said article, over-the-counter securities options trading prescribed in paragraph 26 of the said article (limited to transactions listed in item 2 of the said paragraph and transactions similar thereto) and over-the-counter securities index swap trading, etc. prescribed in paragraph 27 of the said article, and exchange financial futures trading prescribed in Article 2, paragraph 2 of the Financial Futures Trading Act (Act No. 77 of 1988) (limited to those falling under transactions listed in item 2 of the said paragraph or transactions listed in item 3 of the said paragraph (limited to those pertaining to transactions listed in (b) of the said item, which are specified by Cabinet Order); hereinafter the same shall apply in this item), over-the-counter financial futures trading prescribed in paragraph 4 of the said article (limited to transactions similar to those listed in item 2 of the said paragraph or those listed in item 3 of the said paragraph (limited to those specified by Cabinet Order)), transactions similar to exchange financial futures trading prescribed in paragraph 2 of the said article, which are conducted in the overseas financial futures market prescribed in paragraph 3

of the said article, or other transactions specified by Cabinet Order as transactions similar thereto.

(xv) The term "goods" shall mean movables other than precious metal, means of payment, securities or other certificates embodying claims.

(xvi) The term "property" shall mean property including those prescribed in items 7, 10, 11, 13 and 15.

(2) In the case where it is not clear whether a person is a resident or non-resident, the Minister of Finance shall decide it.

#### (Exchange Rate)

Article 7 (1) The Minister of Finance shall determine and publicly notify the basic exchange rate of Japanese currency and the arbitrated exchange rate of a foreign currency to Japanese currency.

(2) The Minister of Finance shall, when he/she intends to determine a basic exchange rate of Japanese currency pursuant to the provision of the preceding paragraph, obtain approval of the Cabinet.

(3) The Minister of Finance shall endeavor to stabilize the exchange rate of Japanese currency by taking necessary measures such as the buying and selling of foreign means of payment.

#### (Designation of Currency)

Article 8 Payment, etc. (meaning payment or receipt of payment; the same shall apply hereafter) in currency pertaining to transactions or acts governed by this Act shall be made in a currency designated by the Minister of Finance.

#### (Suspension of Transactions, etc. in Case of Emergency)

Article 9 (1) Where a drastic change has taken place in international economic conditions, the competent minister may, when he/she finds it urgently necessary, order, pursuant to the provisions of Cabinet Order, the suspension of transactions, acts or payment, etc. governed by this Act within the period specified by Cabinet Order.

(2) Suspension ordered pursuant to the provision of the preceding paragraph shall not make payment that has been authorized by this Act up to the suspension impossible, and the delay of the payment due to the suspension shall be limited to the period specified by Cabinet Order.

## **Chapter II Measures to Maintain Peace and Security in Japan**

Article 10 (1) The cabinet meeting may decide to take countermeasures (meaning measures pursuant to the provisions of Article 16, paragraph 1, Article 21, paragraph 1, Article 23, paragraph 4, Article 24, paragraph 1,

Article 25, paragraph 4, Article 48, paragraph 3, and Article 52, which are taken by the competent minister based on a cabinet decision pursuant to the provision of this paragraph) when it is particularly necessary in order to maintain peace and security in Japan.

- (2) Where the government has taken countermeasures set forth in the preceding paragraph based on a cabinet decision set forth in the said paragraph, it shall submit the implementation of the countermeasures to the Diet within 20 days from the day when it took the countermeasures in order to seek approval of the Diet; provided, however, that where the Diet is in adjournment or the House of Representatives is in dissolution, the government shall promptly seek such approval in the Diet first convened thereafter.
- (3) When a resolution of disapproval has been made in the case referred to in the preceding paragraph, the government shall promptly terminate the countermeasures.

Article 11 Deleted.

Article 12 Deleted.

Article 13 Deleted.

Article 14 Deleted.

Article 15 Deleted.

### **Chapter III Payment, etc.**

(Payment, etc.)

- Article 16 (1) When the competent minister finds it necessary for sincerely fulfilling obligations under the treaties and other international agreements which Japan has signed or when he/she finds it particularly necessary for making Japan's contribution to international efforts for achieving international peace, or when a cabinet decision set forth in Article 10, paragraph 1 has been made, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or non-resident who intends to make payment from Japan to a foreign state or a resident who intends to make payment, etc. to a non-resident, the obligation to obtain permission for the payment or payment, etc., except where the payment, etc. is payment, etc. pertaining to a transaction or act for which the obligation to obtain permission or approval is imposed from the same standpoint as the above.
- (2) In addition to the cases prescribed in the preceding paragraph, when the

competent minister finds it particularly necessary for maintaining the equilibrium of the international balance of payments of Japan, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or non-resident who intends to make payment from Japan to a foreign state or a resident who intends to make payment to a non-resident, the obligation to obtain permission for such payment, except where the payment is payment pertaining to a transaction or act for which the obligation to obtain permission or to give notification is imposed or the obligation to obtain permission may be imposed pursuant to the provisions of Chapters 4 to 6 inclusive.

- (3) In addition to the cases prescribed in the preceding two paragraphs, when the competent minister finds it necessary for assured enforcement of the provisions of this Act or orders based on this Act, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or non-resident who intends to make payment from Japan to a foreign state or a resident who intends to make payment, etc. to a non-resident, the obligation to obtain permission for the payment or payment, etc., except where the payment, etc. is payment, etc. pertaining to a transaction or act for which the obligation to obtain permission or to give notification is imposed or the obligation to obtain permission or approval may be imposed pursuant to the provisions of Chapters 4 to 6 inclusive.
- (4) Where the obligation to obtain permission has been imposed in regard to payment, etc. for which the obligation to obtain permission may be imposed pursuant to the provisions of the preceding three paragraphs, pursuant to two or more of these paragraphs, a person who intends to make payment, etc. may also, pursuant to the provisions of Cabinet Order, apply for permission pursuant to the said two or more paragraphs. In this case, the competent minister shall decide whether to give permission by taking into consideration the circumstances that have led to imposing the obligation to obtain permission for the payment, etc. pertaining to the application.
- (5) When a person is obliged to obtain permission for or approval of a transaction or act or to give notification of a transaction or act pursuant to the provisions of this Act or orders based on this Act, he/she shall not make payment, etc. pertaining to the transaction or act without obtaining the permission or approval or without giving notification, except for cases specified by Cabinet Order.

(Restrictions on Payment, etc.)

Article 16-2 Where the competent minister has imposed the obligation to obtain permission pursuant to the provision of paragraph 1 of the preceding article, when he/she finds a risk that a person who has made payment, etc., for which the obligation to obtain the permission is imposed, without obtaining the

permission will make payment, for which the obligation to obtain permission is imposed pursuant to the provision of the said paragraph, again without obtaining the permission, he/she may, for a period of not more than one year, prohibit the person from making, in whole or in part, payment from Japan to a foreign state (excluding payment through exchange transactions conducted by banks (meaning banks prescribed in Article 2, paragraph 1 of the Banking Act (Act No. 59 of 1981); the same shall apply hereinafter) or other financial institutions specified by Cabinet Order (hereinafter referred to as the "Banks, etc.") and payment, etc. made between a resident and a non-resident (excluding payment, etc. resulting from exchange transactions conducted by the Banks, etc. or other payment, etc. specified by Cabinet Order), or may impose, pursuant to the provisions of Cabinet Order, on the person, the obligation to obtain permission for such payment and payment, etc.

(Confirmation Obligation, etc. of the Banks, etc.)

Article 17 The Banks, etc. shall not commit exchange transactions pertaining to payment with a customer unless they confirm that the customer's payment, etc. does not fall under any of the payment, etc. listed in the following items or that the customer's payment meets requirements prescribed respectively in the following items where it is found to fall under payment, etc. listed in those items.

- (i) Payment, etc. for which the obligation to obtain permission is imposed pursuant to the provisions of paragraphs 1 to 3 inclusive of Article 16: Obtainment of the permission
- (ii) Payment, etc. pertaining to capital transactions prescribed in Article 20, for which the obligation to obtain permission is imposed pursuant to the provision of paragraph 1 or 2 of Article 21: Obtainment of the permission
- (iii) Other payment, etc. pertaining to transactions or acts for which the obligation to obtain permission or approval or to give notification is imposed pursuant to the provisions of this Act or orders based on this Act, which is stipulated by Cabinet Order: Obtainment of the permission or approval, or completion of necessary procedures after the notification

(Rectification Measures, etc. for Confirmation)

Article 17-2 (1) The Minister of Finance may, when he/she finds that the Banks, etc. conduct or are likely to conduct exchange transactions pertaining to their customers' payment, etc. in violation of the preceding article, order the Banks, etc. to take measures to ensure that confirmation set forth in the said paragraph be properly obtained.

(2) When the Minister of Finance finds it necessary in giving Banks, etc. an order pursuant to the preceding paragraph, he/she may order the Banks, etc. to

suspend, in whole or in part, business pertaining to foreign exchange transactions or may restrict the content of the business of the Banks, etc. until measures set forth in the said paragraph are taken.

(Obligation to Identify Customers, etc. of the Banks, etc.)

Article 18 (1) In committing exchange transactions (excluding those pertaining to small payment or payment, etc. specified by Cabinet Order; hereinafter referred to as the "Specified Exchange Transactions") pertaining to payment from Japan to a foreign state or payment, etc. to a non-resident (excluding cases where the customer is a non-resident) with customers listed in the following items, the Banks, etc. shall confirm matters prescribed respectively in those items (hereinafter referred to as the "Identifying Matters") in regard to the customers by means of receiving presentation of their driver's license or by other means specified by the Ordinance of the Ministry of Finance (hereinafter referred to as the "Identity Confirmation").

(i) A natural person: Name, domicile or residence, and date of birth

(ii) A juridical person: Name, and location of its principal office

(2) In obtaining the Identity Confirmation of customers, in the cases where a representative of a corporation commits the Specified Exchange Transactions on behalf of the corporation or where a natural person who actually takes charge of Specified Exchange Transactions with the Banks, etc. is not the customer itself (excluding cases prescribed in the following paragraph), the Banks, etc. shall also obtain the Identity Confirmation of such natural persons who take charge of the Specified Exchange Transactions (hereinafter referred to as the "Representatives, etc." in this and the next article) in addition to the Identity Confirmation of the customers.

(3) Where a customer is a state, a local government, an association or foundation without juridical personality or other specified by Cabinet Order, the provision of paragraph 1 shall apply, deeming a natural person who actually takes charge of Specified Exchange Transactions with the Banks, etc. on behalf of the state, local government, association or foundation without juridical personality or other specified by Cabinet Order to be a customer.

(4) Where the Banks, etc. obtain Identity Confirmation, customers (including natural persons who are deemed to be a customer pursuant to the provision of the preceding paragraph; the same shall apply hereinafter) and Representatives, etc. shall not disguise their Identifying Matters to the Banks, etc.

(Discharge of the Banks, etc.)

Article 18-2 When customers or Representatives, etc. refuse to provide Identifying Matters in conducting the Specified Exchange Transactions, the

Banks, etc. may refuse to fulfill the obligations pertaining to the Specified Exchange Transactions until the customers or the Representatives, etc. provides such matters.

(Obligation to Prepare a Record of Identity Confirmation)

Article 18-3 (1) The Banks, etc. shall, when they have obtained Identity Confirmation, immediately prepare a record of the Identifying Matters and other matters specified by the Ordinance of the Ministry of Finance as matters related to the Identity Confirmation (hereinafter referred to as the "Record of Identity Confirmation") by means specified by the Ordinance of the Ministry of Finance.

(2) The Banks, etc. shall preserve the Record of Identity Confirmation for seven years from the end of the Specified Exchange Transactions or other date specified by the Ordinance of the Ministry of Finance.

(Rectification Measures for Identity Confirmation and Preparation of a Record of Identity Confirmation)

Article 18-4 When the Ministry of Finance finds that the Banks, etc. violate the provisions of paragraphs 1 to 3 inclusive of Article 18 or paragraph 1 or 2 of the preceding article in regard to Specified Exchange Transactions, he/she may order the Banks, etc. to take measures necessary to rectify the violation.

(Application, Mutatis Mutandis to Postal Service Offices)

Article 18-5 The provisions of Articles 18 to 18-3 inclusive shall apply mutatis mutandis to cases where a postal service office commits the Specified Exchange Transactions in money order service or postal transfer service.

(Import and Export of Means of Payment, etc.)

Article 19 (1) When the Minister of Finance finds it necessary for assured enforcement of provisions of this Act or orders based on this Act, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or non-resident who intends to import or export means of payment (including vouchers, etc. in which means of payment is inputted, which is listed in Article 6, paragraph 1, item 7 (c)) or securities the obligation to obtain permission.

(2) When the Minister of Finance finds it necessary for assured enforcement of provisions of this Act or orders based on this Act or when he/she finds it particularly necessary for maintaining equilibrium of the international balance of trade or stability of currency, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or a non-resident who intends to import or export precious metal, the obligation to obtain permission.

(3) When a resident or a non-resident intends to import or export the means of

payment or securities prescribed in paragraph 1 or precious metal, he/she shall notify in advance the Minister of Finance of the content of the import or export, time of the import or export, and other matters specified by Cabinet Order pursuant to the provisions of Cabinet Order, except cases where the import or export of the means of payment or securities, or precious metal has been permitted by the Minister of Finance pursuant to the provisions of an order made pursuant to the provisions of the preceding two paragraphs and other cases specified by Cabinet Order.

#### **Chapter IV Capital Transactions, etc.**

(Definition of Capital Transactions)

Article 20 The term "capital transactions" shall mean the following transactions or acts (excluding acts that fall under inward direct investment, etc. prescribed in Article 26, paragraph 2, which are committed by those listed in the items of paragraph 1 of the said article).

- (i) Transactions pertaining to the occurrence, alteration or extinction of claims based on a deposit contract (including installment savings contracts, installment deposit contracts, deposit contracts and other contracts specified by Cabinet Order as similar thereto; the same shall apply in item 4 of this article, paragraph 3 of the next article, and Article 55-3, paragraph 1) or a trust contract (hereinafter referred to as the "Transactions Pertaining to the Occurrence, etc. of Claims" in this article, paragraph 3 of the next article, and Article 55-3, paragraph 1) between a resident and a non-resident
- (ii) Transactions Pertaining to the Occurrence, etc. of Claims based on a money loan contract or an obligation guarantee contract between a resident and a non-resident
- (iii) Transactions Pertaining to the Occurrence, etc. of Claims based on a sales contract for the foreign means of payment or claims between a resident and a non-resident
- (iv) Transactions Pertaining to the Occurrence, etc. of Claims receivable in foreign currency based on a deposit contract, trust contract, money loan contract, obligation guarantee contract, sales contract for the foreign means of payment or claims, or other sales contract between a resident and another resident
- (v) Acquisition of securities by a resident from a non-resident (including acquisition by relevant resident or non-resident of the right to enable the resident to acquire securities from the non-resident upon the manifestation of intention by the resident or non-resident), or negotiation of securities to a non-resident by a resident (including acquisition by relevant resident or non-resident of the right to enable the resident to negotiate securities to the non-

- resident upon the manifestation of intention by the resident or non-resident)
- (vi) Issue or offer for subscription of securities in a foreign state or issue or offer for subscription of foreign securities in Japan by a resident, or issue or offer for subscription of securities in Japan by a non-resident
  - (vii) Issue or offer for subscription of securities denominated or payable in Japanese currency in a foreign state by a non-resident
  - (viii) Transactions Pertaining to the Occurrence, etc. of Claims based on a futures contract on a financial index, etc. between a resident and a non-resident
  - (ix) Transactions Pertaining to the Occurrence of Claims receivable in foreign currency based on a futures contract on a financial index, etc. between a resident and another resident, or Transactions Pertaining to the Occurrence, etc. of Claims receivable in Japanese currency based on a futures contract on a financial index, etc. (limited to contracts pertaining to financial indicators for foreign currencies (meaning financial indicators prescribed in Article 2, paragraph 9 of the Financial Futures Trading Act))
  - (x) Acquisition of real estate or rights related thereto existing in a foreign state by a resident, or acquisition of real estate existing in Japan or rights related thereto by a non-resident
  - (xi) In addition to what is listed in items 1 and 2, transfer of funds between an office in Japan of a juridical person and an office in a foreign state of the juridical person (excluding the transfer of funds specified by Cabinet Order as transfer of current expenses necessary for the operation of the office and funds pertaining to current transactions)
  - (xii) Those specified by Cabinet Order as transactions or acts equivalent to any of those set forth in the preceding items

(Capital Transactions, etc. for which the Obligation to Obtain Permission from the Minister of Finance Is Imposed)

Article 21 (1) When the Minister of Finance finds that if capital transactions (excluding those falling under specified capital transactions prescribed in Article 24, paragraph 1) by a resident or non-resident are conducted without any restrictions, it will cause a situation that prevents Japan from sincerely fulfilling obligations under treaties and other international agreements Japan has signed or from making its contribution to international efforts for achieving international peace, which will make it difficult to achieve the purpose of this Act, or when a cabinet decision set forth in Article 10, paragraph 1 has been made, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or non-resident who intends to commit the capital transactions, the obligation to obtain permission for implementation of the capital transactions.

- (2) In addition to the cases prescribed in the preceding paragraph, when the Minister of Finance finds that if capital transactions prescribed in the said paragraph (excluding those whose accounting is settled in the Special International Financial Transactions Account) by a resident or a non-resident are conducted without any restrictions, any of the following situations will arise, which will make it difficult to achieve the purpose of this Act, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident or non-resident who intends to commit the capital transactions, the obligation to obtain permission for implementation of the capital transactions.
- (i) The maintenance of equilibrium of the international balance of payments of Japan becomes difficult.
  - (ii) Drastic fluctuation is brought to the exchange rate of Japanese currency.
  - (iii) The Japanese financial market or capital market is adversely affected by transfer of massive funds between Japan and a foreign state.
- (3) The "Special International Financial Transactions Account" set forth in the preceding paragraph shall mean the account set by banks or other financial institutions specified by Cabinet Order with the approval of the Minister of Finance in order to adjust accounting related to the operation or procurement of funds pertaining to the following transactions or acts, which are committed to allocate deposits received from a non-resident (limited to juridical persons established pursuant to foreign laws and regulations and those specified by Cabinet Order; hereinafter the same shall apply in this and the next paragraph) or other funds procured from a non-resident to money loan to a non-resident, acquisition of securities from a non-resident or other operations with a non-resident, in distinction from the accounting related to the operation or procurement of funds pertaining to other transactions or acts.
- (i) Among capital transactions listed in item 1 of the preceding article, the Transactions Pertaining to the Occurrence, etc. of Claims based on a deposit contract with a non-resident which is specified by Cabinet Order
  - (ii) Among capital transactions listed in item 2 of the preceding article, the Transactions Pertaining to the Occurrence, etc. of Claims based on a money loan contract with a non-resident
  - (iii) Among capital transactions listed in item 5 of the preceding article, acquisition from a non-resident or transfer to a non-resident of securities (limited to those specified by Cabinet Order) issued by a non-resident
  - (iv) Other transactions or acts specified by Cabinet Order
- (4) The transfer of funds between the Special International Financial Transactions Account prescribed in the preceding paragraph (hereinafter referred to as the "Special International Financial Transactions Account" in this paragraph and paragraph 2 of the net article) and other accounts, or other matters related to the accounting of the Special International Financial

Transactions Account, and confirmation that the other party of transactions or acts whose accounting is settled in the Special International Financial Transactions Account is a non-resident and other necessary matters shall be specified by Cabinet Order.

- (5) Where the obligation to obtain permission has been imposed, pursuant to the provisions of paragraphs 1 and 2, for capital transactions prescribed in paragraph 2, a person who intends to conduct the capital transactions may apply, pursuant to the provisions of Cabinet Order, for permission pursuant to these provisions at the same time. In this case, the Minister of Finance shall decide whether to grant permission by taking into consideration whether or not any of the situations which have served as grounds for imposing the obligation to obtain permission for capital transactions pertaining to the application will arise.
- (6) When the Minister of Finance has imposed, pursuant to the provision of paragraph 1 or 2, the obligation to obtain permission for outward direct investment prescribed in Article 23, paragraph 1, which shall be notified pursuant to the provision of the said paragraph, he/she shall decide whether to grant permission for outward direct investment pertaining to the application for permission by taking into consideration whether or not any of the situations listed in the items of paragraph 4 of the said article in addition to the situations prescribed in paragraph 1, which have served as grounds for imposing the obligation to obtain permission, or the situations listed in the items of paragraph 2.

(Restrictions on Capital Transactions, etc.)

- Article 22 (1) Where the Minister of Finance has imposed pursuant to the provision of paragraph 1 of the preceding article, the obligation to obtain permission, when he/she finds a risk that a person who has conducted capital transactions prescribed in the said paragraph, for which the obligation to obtain the permission is imposed, without obtaining the permission will conduct capital transactions prescribed in the said paragraph, for which the obligation to obtain permission is imposed pursuant to the provision of the said paragraph, again without obtaining the permission, he/she may prohibit the person from committing, in whole or in part, capital transactions prescribed in the said paragraph for a period of not more than one year, or may impose, pursuant to the provisions of Cabinet Order, on the person, the obligation to obtain permission.
- (2) When the Minister of Finance finds a risk that a person who has settled the accounting of transactions or acts other than those listed in the items of paragraph 3 of the preceding article (hereinafter referred to as the "Transactions not under Coverage, etc." in this paragraph) in the Special

International Financial Transactions Account, or who has violated the provisions of an order made pursuant to paragraph 4 of the said article, will settle again the accounting of Transactions not under Coverage, etc. in the Special International Financial Transactions Account or will violate again the provisions of the order, he/she may prohibit the person from settling, in whole or in part, the accounting of transactions or acts listed in the items of paragraph 3 of the said article for a period of not more than one year.

(Obligation to Identify Customers, etc. of Financial Institutions, etc.)

- Article 22-2 (1) In committing the act of conclusion of a contract pertaining to capital transactions or other acts specified by Cabinet Order (hereinafter referred to as "Acts such as Conclusion of a Contract Pertaining to Capital Transactions" in this paragraph) with customers or those specified by Cabinet Order as equivalent thereto (hereinafter referred to as "Customers, etc." in this paragraph), the Banks, etc, trust corporations (meaning trust corporations prescribed in Article 2, paragraph 2 of the Trust Business Act (Act No. 154 of 2004) and foreign trust corporations prescribed in paragraph 6 of the said article; the same shall apply hereinafter), securities corporations (securities corporations prescribed in Article 2, paragraph 9 of the Securities and Exchange Act and foreign securities corporations prescribed in Article 2, item 2 of the Act on Foreign Securities Dealers (Act No. 5 of 1971); the same shall apply hereinafter), and financial futures traders (meaning financial futures traders prescribed in Article 2, paragraph 12 of the Financial Futures Trading Act; the same shall apply hereinafter) (hereinafter referred to as "Financial Institutions, etc.") shall obtain the Identity Confirmation of the Customers, etc.
- (2) The provisions of paragraphs 2 to 4 inclusive of Article 18 and Articles 18-2 to 18-4 inclusive shall apply mutatis mutandis to cases where Financial Institutions, etc. commit the Acts such as Conclusion of a Contract pertaining to Capital Transactions. In this case, the term "Specified Exchange Transactions" in Article 18-3, paragraph 2 shall be deemed to be replaced with "contract pertaining to capital transactions prescribed in Article 22-2, paragraph 1."

(Application, Mutatis Mutandis to Those Engaged in Money Exchange Business)

- Article 22-3 The provisions of paragraphs 2 to 4 inclusive of Article 18, Articles 18-2 to 18-4 inclusive, and paragraph 1 of the preceding article shall apply mutatis mutandis to cases where those engaged in money exchange business (meaning buying and selling foreign currencies or traveler's checks in the course of trade) in Japan exchange money (excluding small money exchange specified by Cabinet Order) with customers.

(Outward Direct Investment)

Article 23 (1) When a resident intends to make an outward direct investment specified by Cabinet Order as being likely to cause any of the situations listed in the items of paragraph 4, he/she shall notify in advance the Minister of Finance of the content of the outward direct investment, the time of making the outward direct investment and other matters specified by Cabinet Order pursuant to the provisions of Cabinet Order.

(2) The "outward direct investment" set forth in the preceding paragraph shall mean acquisition of securities issued by a juridical person established pursuant to foreign laws and regulations or loan of money to the juridical person, which is specified by Cabinet Order as an act committed to establish a permanent economic relationship with the juridical person, or payment of funds pertaining to the establishment or expansion of branch offices, factories or other offices (hereinafter referred to as the "Branch Offices, etc.") in a foreign state, which is conducted by a resident.

(3) A resident who has given notification pursuant to the provision of paragraph 1 shall not make an outward direct investment pertaining to the notification until the expiration of 20 days from the day of acceptance of the notification by the Minister of Finance; provided, however, that the Minister of Finance may, when he/she finds no special problems in consideration of the content of outward direct investment pertaining to the notification or other matters, shorten that period.

(4) Where outward direct investment pertaining to a notification set forth in the preceding paragraph has been made, the Minister of Finance may, only when he/she finds that the outward direct investment will cause any of the following situations, which will make it difficult to achieve the purpose of this Act or when a cabinet decision set forth in Article 10, paragraph 1 has been made, recommend the person who has given notification of the outward direct investment to change the content of the outward direct investment or discontinue the outward direct investment pursuant to the provisions of Cabinet Order; provided, however, that the period for making a recommendation of the change or discontinuance shall be within 20 days from the day of acceptance of the notification.

(i) Significant adverse effect is brought to the smooth management of the Japanese economy.

(ii) International peace and security are impaired, or the maintenance of public order is disturbed.

(5) Any person who has received a recommendation pursuant to the provision of the preceding paragraph shall not make an outward direct investment pertaining to a notification set forth in paragraph 3 until the expiration of 20

days from the date of receipt of the recommendation, notwithstanding the provision of the said paragraph.

- (6) Any person who has received a recommendation pursuant to the provision of paragraph 4 shall notify the Minister of Finance of whether or not he/she accepts the recommendation, within 10 days from the day of receipt of the recommendation.
- (7) Any person who has notified the Minister of Finance of his/her acceptance of a recommendation pursuant to the provision of the preceding paragraph shall make an outward direct investment pertaining to the recommendation in conformity with the recommendation.
- (8) Any person who has notified the Minister of Finance of his/her acceptance of a recommendation pursuant to the provision of paragraph 6 may make an outward direct investment pertaining to the recommendation before the expiration of 20 days from the receipt of the recommendation, notwithstanding the provision of paragraph 3 or 5.
- (9) Where a person who has received a recommendation pursuant to the provision of paragraph 4 has failed to give a notice pursuant to the provision of paragraph 6 or has given a notice of refusal of the recommendation, the Minister of Finance may order the person who has received the recommendation to change the content of the outward direct investment or discontinue the outward direct investment; provided, however, the period for ordering the change or discontinuance shall be within 20 days from the date of the recommendation pursuant to the provision of paragraph 4.
- (10) In addition to what is prescribed in the preceding respective paragraphs, the procedures of recommendation to change the content of outward direct investment (meaning outward direct investment prescribed in paragraph 2; the same shall apply hereinafter) or to discontinue outward direct investment and other necessary matters concerning such recommendation shall be specified by Cabinet Order.
- (11) Where the obligation to obtain permission from the Minister of Finance has been imposed pursuant to the provision of paragraph 1 or 2 of Article 21 in regard to outward direct investment that shall be notified pursuant to the provision of paragraph 1, a resident who makes the outward direct investment shall not be required to give notification, notwithstanding the provision of paragraph 1. In this case, when a notification pursuant to the said paragraph has already been given in regard to the outward direct investment, the notification (limited to those pertaining to outward direct investment (excluding those for which a notice of acceptance of the recommendation of discontinuance has been given pursuant to the provision of paragraph 6 and those of which discontinuation has been ordered pursuant to the provision of paragraph 9) which has not been actually made at the time of imposition of the

obligation to obtain permission pursuant to the provision of paragraph 1 or 2 of the said article) shall be deemed to be an application pertaining to permission that the resident was obliged to obtain pursuant to the provision of paragraph 1 or 2 of the said article, which was filed on the day of the notification, and when a recommendation pursuant to the provision of paragraph 4, a notice pursuant to the provision of paragraph 6 (limited to those accepting the change of the content) or an order pursuant to paragraph 9 (limited to those pertaining to the change of the content) has been made in regard to outward direct investment pertaining to the notification, the recommendation, notice or order shall be deemed to have not been made.

(Specified Capital Transactions for which the Obligation to Obtain Permission from the Minister of Economy, Trade and Industry Is Imposed)

Article 24 (1) When the Minister of Economy, Trade and Industry finds that if specified capital transactions by a resident (meaning capital transactions listed in Article 20, item 2 (including those specified by Cabinet Order as transactions equivalent to item 2 of the said article pursuant to the provision of item 12 of the said article), which are specified by Cabinet Order as transactions or acts committed by a person who imports or exports goods directly accompanying the import or export of the goods, or which are specified by Cabinet Order as transactions or acts pertaining to the transfer of the mining right, industrial property right or other right equivalent thereto or establishment of the right to use these rights (excluding those specified by Cabinet Order as capital transactions to settle short-term international commercial transactions)), are conducted without any restrictions, it will cause a situation that prevents Japan from sincerely fulfilling obligations under the treaties and other international agreements it has signed or from making its contribution to international efforts for achieving international peace, which will make it difficult to achieve the purpose of this Act, or when a cabinet decision set forth in Article 10, paragraph 1 has been made, he/she may impose, pursuant to the provisions of Cabinet Order, on a person who intends to commit the specified capital transactions, the obligation to obtain permission for the implementation of the specified capital transactions.

(2) In addition to the cases prescribed in the preceding paragraph, when the Ministry of Economy, Trade and Industry finds that if the specified capital transactions by a resident are conducted without any restrictions, it will cause any of the situations listed in the items of Article 21, paragraph 2, which will make it difficult to achieve the purpose of this Act, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident who intends to conduct the specified capital transactions, the obligation to obtain permission for the implementation of the specified capital transactions.

(3) Where the obligation to obtain permission has been imposed pursuant to the provision of paragraph 1 and the preceding paragraph in regard to specified capital transactions, a person who intends to conduct the specified capital transactions may, pursuant to the provisions of Cabinet Order, also apply for permission pursuant to the provision of these paragraphs. In this case, the Minister of Economy, Trade and Industry shall decide whether to grant permission by taking into consideration whether or not the specified capital transactions pertaining to the application will cause any of the situations which have served as grounds for imposing the obligation to obtain permission.

(Restrictions on Specified Capital Transactions)

Article 24-2 Where the Minister of Economy, Trade and Industry has imposed the obligation to obtain permission pursuant to the provision of paragraph 1 of the preceding article, when he/she finds a risk that a person who has conducted the specified capital transactions for which the obligation to obtain the permission is imposed without obtaining the permission will conduct the specified capital transactions, for which the obligation to obtain the permission is imposed pursuant to the provision of the said paragraph, again without obtaining the permission, he/she may prohibit the person from conducting, in whole or in part, specified capital transactions for a period of not more than one year, or may impose, pursuant to the provisions of Cabinet Order, on the person, the obligation to obtain permission.

(Service Transactions, etc.)

Article 25 (1) When a resident intends to conduct transactions listed in the following items with a non-resident, he/she shall obtain, pursuant to the provisions of Cabinet Order, permission from the Minister of Economy, Trade and Industry in regard to the transactions.

(i) Transactions designed to provide technology pertaining to the design, manufacture or use of specific kinds of goods specified by Cabinet Order as those considered to undermine the maintenance of international peace and security (hereinafter referred to as the "Specified Technology") in the specified region

(ii) Transactions related to the buying and selling of goods involving the movement of goods between foreign states, which are specified by Cabinet Order as those considered to undermine the maintenance of international peace and security

(2) When the Minister of Economy, Trade and Industry finds it necessary for assured enforcement of the provision of the preceding paragraph, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident who intends to conduct transactions, which are designed to provide Specified Technology in

a region other than the specified region set forth in item 1 of the said paragraph, with a non-resident, the obligation to obtain permission.

- (3) When a resident intends to conduct, with a non-resident, service transactions (meaning transactions designed to provide labor or benefit; the same shall apply hereinafter) which are specified by Cabinet Order as the processing of minerals or other transactions similar thereto (excluding those which fall under the conclusion of a technology introduction contract prescribed in Article 30, paragraph 1), he/she shall obtain, pursuant to the provisions of Cabinet Order, permission for the service transactions from the competent minister; provided, however, that this shall not apply to those which fall under service transactions for which the obligation to obtain permission from the competent minister is imposed pursuant to the provision of the next paragraph.
- (4) When the competent minister finds that if service transactions between a resident and a non-resident (excluding those pertaining to Specified Technology prescribed in paragraph 1, item 1 and those which fall under the conclusion of a technology introduction contract, etc. prescribed in Article 30, paragraph 1) or transactions related to the buying and selling of goods involving the movement of goods between foreign states (excluding those prescribed in paragraph 1, item 2) (hereinafter referred to as the "Service Transactions, etc.") are conducted without any restrictions, it will cause a situation that prevents Japan from sincerely fulfilling obligations under the treaties and other international agreements it has signed or from making its contribution to international efforts for achieving international peace, which will make it difficult to achieve the purpose of this Act, or when a cabinet decision set forth in Article 10, paragraph 1 has been made, he/she may impose, pursuant to the provisions of Cabinet Order, on a resident who intends to conduct the Service Transactions, etc., the obligation to obtain permission for the implementation of the Service Transactions, etc.

(Sanctions, etc.)

- Article 25-2 (1) The Ministry of Economy, Trade and Industry may prohibit a person who has conducted transactions prescribed in paragraph 1, item 1 of the preceding article without obtaining permission pursuant to the provision of paragraph 1 of the said article from conducting transactions designed to provide technology pertaining to the design, manufacture or use of goods with a non-resident or from exporting specific kinds of goods pertaining to Specified Technology, for a period of not more than three years.
- (2) The Ministry of Economy, Trade and Industry may prohibit a person who has conducted transactions prescribed in paragraph 1, item 2 of the preceding article without obtaining permission pursuant to the provision of paragraph 1 of the said article from conducting transactions related to the buying and

- selling of goods involving the movement of goods between foreign states with a non-resident, or from exporting goods, for a period of not more than three years.
- (3) The Minister of Economy, Trade and Industry may prohibit a person who has conducted transactions prescribed in paragraph 2 of the preceding article without obtaining permission from the Minister of Economy, Trade and Industry where the obligation to obtain such permission has been imposed pursuant to the provision of the said paragraph from conducting transactions designed to provide technology pertaining to the design, manufacture or use of goods with a non-resident, or from exporting specific kinds of goods pertaining to Specified Technology, for a period of not more than one year.
- (4) Where the competent minister has imposed the obligation to obtain permission for implementation of Service Transactions, etc. pursuant to the provision of paragraph 4 of the preceding article, when he/she finds a risk that a person who has conducted the Service Transactions, etc. for which the obligation to obtain permission is imposed without obtaining the permission will conduct the Service Transactions, etc., for which the obligation to obtain permission is imposed pursuant to the provision of the said paragraph, again without obtaining the permission, he/she may prohibit the person from conducting, in whole or in part, the Service Transactions, etc. for a period of not more than one year, or may impose, pursuant to the provisions of Cabinet Order, on the person, the obligation to obtain permission.

## **Chapter V Inward Direct Investment, etc.**

(Definition of Inward Direct Investment, etc.)

Article 26 (1) The term "foreign investor" shall mean any one of the following persons who makes inward direct investment, etc. listed in the items of the next paragraph.

- (i) An individual who is a non-resident
- (ii) A juridical person or other organization established pursuant to foreign laws and regulations, or a juridical person or other organization having its principal office in a foreign state
- (iii) A corporation of which the ratio of the sum of the number of voting rights directly held by those listed in item 1 or 2 (excluding voting rights relating to shares which do not allow exercising voting rights for all the matters which may be resolved at a shareholders' meeting, but including voting rights relating to shares of which holders are deemed to have voting rights pursuant to the provision of Article 879, paragraph 3 of the Companies Act (Act No. 86 of 2005); hereinafter the same shall apply in this item and item 4 of the next paragraph) and the number of voting rights specified by Cabinet Order as those indirectly held through other corporations in the number of

voting rights of all shareholders or members of the corporation is 50% or higher

- (iv) In addition to what is listed in the preceding two items, a juridical person or other organization in which persons as listed in item 1 occupy the majority of either the officers (meaning directors or other persons equivalent thereto; hereinafter the same shall apply in this item) or the officers having the power of representation
- (2) The term "inward direct investment, etc." shall mean an act that falls under any of the following items.
- (i) Acquisition of the shares or equity of a corporation (excluding acquisition through transfer from those listed in the items of the preceding paragraph and acquisition of the shares of a corporation which issues shares listed in a securities exchange prescribed in Article 2, paragraph 16 of the Securities and Exchange Act or shares specified by Cabinet Order as those equivalent thereto (referred to as "Listed Corporations, etc." in items 2 and 3))
  - (ii) Transfer of the shares or equity of a corporation other than Listed Corporations, etc., which have been held by a person prior to his/her becoming a non-resident (limited to transfer from an individual who is a non-resident to any of those listed in the items of the preceding paragraph)
  - (iii) Acquisition of the shares of a Listed Corporation, etc. (limited to cases where the ratio of the number of shares of the Listed Corporation, etc. pertaining to the acquisition in the total number of issued shares of the Listed Corporation, etc., or the ratio of the sum of the number of shares of the Listed Corporation, etc. which will be held by a person who conducts the acquisition after the acquisition and the number of shares of the Listed Corporation, etc. held by non-resident individuals, corporations or other organizations (limited to those which fall under those listed in items 2 to 4 inclusive of the preceding paragraph), which are specified by Cabinet Order as being in a permanent economic relationship, kinship or other special relationship equivalent thereto with a person who conducted the acquisition in the total number of issued shares of the Listed Corporation, etc. is not less than the ratio specified by Cabinet Order which is not less than 10%)
  - (iv) Consent given in regard to the substantial change of the business purpose of a corporation (for a business corporation, limited to consent given by those holding one-third or more of the voting rights of all shareholders of the business corporation)
  - (v) Establishment of the Branch Offices, etc. in Japan or substantial change of the kind or business purpose of the Branch Offices, etc. in Japan (limited to establishment or change specified by Cabinet Order, which is conducted by those listed in item 1 or 2 of the preceding paragraph)
  - (vi) Loan of money exceeding the amount specified by Cabinet Order to a

- juridical person having its principal office in Japan (excluding loan provided by a person who operates banking business or other financial institution specified by Cabinet Order on a regular basis and loan in Japanese currency provided by those listed in item 3 or 4 of the preceding paragraph), for which the period exceeds one year
- (vii) Act specified by Cabinet Order as equivalent to any of the acts set forth in the preceding items

(Notification of Inward Direct Investment, etc. and Recommendation of a Change, etc.)

- Article 27 (1) When a foreign investor intends to make an inward direct investment, etc. (excluding those specified by Cabinet Order by taking into consideration inheritance, testamentary gift, merger of juridical persons or other circumstances; hereinafter the same shall apply in this article) specified by Cabinet Order as being likely to fall under inward direct investment, etc., which requires examination pursuant to paragraph 3, he/she shall notify in advance, pursuant to the provisions of Cabinet Order, the Minister of Finance and the minister having jurisdiction over the business of the business purpose, amount, time of making the investment, etc. and other matters specified by Cabinet Order in regard to the inward direct investment, etc.
- (2) A foreign investor who has given notification pursuant to the provision of the preceding paragraph in regard to inward direct investment, etc. shall not make an inward direct investment, etc. pertaining to the notification until the expiration of 30 days from the day of acceptance of the notification by the Minister of Finance and the minister having jurisdiction over the business; provided, however, that when the Minister of Finance and the minister having jurisdiction over the business find, before the expiration of the period, based on the business purpose or other matters, that inward direct investment, etc. pertaining to the notification does not fall under inward direct investment, etc. that requires examination pursuant to the provision of the next paragraph, he/she may shorten the period.
- (3) Where the Minister of Finance and the minister having jurisdiction over the business have received a notification pursuant to the provision of paragraph 1, when he/she finds it necessary to examine whether or not inward direct investment, etc. pertaining to the notification falls under any of the following inward direct investment, etc. (referred to as "Inward Direct Investment, etc. Pertaining to National Security, etc." in paragraphs 4, 5, and 11), he/she may extend the period in which inward direct investment, etc. pertaining to the notification is prohibited up to four months from the acceptance of the notification.
- (i) Inward direct investment, etc. which is likely to cause any of the situations

listed in (a) or (b) (limited to inward direct investment, etc., which is made by a foreign investor of a member state of a multilateral treaty or other international agreement on inward direct investment, etc., which is specified by Cabinet Order and to which Japan has acceded (hereinafter referred to as "Treaty, etc." in this item), and which is free from the obligations pursuant to the Treaty, etc. in regard to removal of restrictions on inward direct investment, etc., and inward direct investment, etc. made by a foreign investor of a state other than the member states of the Treaty, etc., which would be free from the said obligations if the state was a member state of the Treaty, etc.)

(a) National security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered.

(b) Significant adverse effect is brought to the smooth management of the Japanese economy.

(ii) Inward direct investment, etc. of which content change or discontinuance is considered to be necessary to make the treatment of the inward direct investment, etc. substantially equivalent to the treatment of direct investment, etc. (meaning those equivalent to inward direct investment, etc. listed in the items of paragraph 2 of the preceding article) made by a Japanese investor in a foreign state because the inward direct investment, etc. is made by a foreign investor of the said foreign state which has not concluded any treaty or other international agreement on inward direct investment, etc. with Japan

(iii) Inward direct investment, etc. of which content change or discontinuance is considered to be necessary as the inward direct investment, etc. is considered, based on the use of funds or other matters, to fall, in whole or in part, under capital transactions for which the obligation to obtain permission is imposed pursuant to the provision of Article 21, paragraph 1 or 2

(4) Where the Minister of Finance and the minister having jurisdiction over the business have extended the period in which inward direct investment, etc. is prohibited pursuant to the provision of the preceding paragraph, when he/she finds, before the expiration of the extended period, through examination pursuant to the provision of the said paragraph that inward direct investment, etc. pertaining to a notification pursuant to the provision of paragraph 1 will not fall under the Inward Direct Investment, etc. Pertaining to National Security, etc., he/she may shorten the extended period.

(5) Where the Minister of Finance and the minister having jurisdiction over the business have extended the period in which inward direct investment, etc. is prohibited pursuant to the provision of paragraph 3, when he/she finds through examination pursuant to the said provision that inward direct investment, etc. pertaining to a notification pursuant to the provision of paragraph 1 falls

under Inward Direct Investment, etc. Pertaining to National Security, etc., he/she may recommend a person who has given notification of the inward direct investment, etc. to change the content pertaining to the inward direct investment, etc. or discontinue the inward direct investment, etc. pursuant to the provisions of Cabinet Order after hearing opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions; provided, however, the period for making the recommendation of the change or discontinuance shall be up to the expiration date of the period extended pursuant to the provision of paragraph 3 or 6, counting from the day of acceptance of the notification.

- (6) Where the Minister of Finance and the minister having jurisdiction over the business hear the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions pursuant to the provision of the preceding paragraph, if the Council on Customs, Tariff, Foreign Exchange and other Transactions replied that it was difficult to state its opinions within a period of four months prescribed in paragraph 3 by taking into consideration the character of the case, the period in which inward direct investment is prohibited prescribed in the said paragraph shall be five months, notwithstanding the provision of the said paragraph.
- (7) Any person who has received a recommendation pursuant to the provision of paragraph 5 shall notify the Minister of Finance and the minister having jurisdiction over the business of whether to accept the recommendation within 10 days from the day of receipt of the recommendation.
- (8) Any person who has given a notice of acceptance of a recommendation pursuant to the provision of the preceding paragraph shall make an inward direct investment, etc. pertaining to the recommendation in compliance with the recommendation.
- (9) Any person who has given a notice of acceptance of a recommendation pursuant to the provision of paragraph 7 may make an inward direct investment, etc. pertaining to the recommendation before the expiration of four months (where the period was extended pursuant to the provision of the said paragraph, five months) from the day of the notification pertaining to the inward direct investment, etc., notwithstanding the provision of paragraph 3 or 6.
- (10) Where a person who has received a recommendation pursuant to the provision of paragraph 5 has not given a notice pursuant to the provision of paragraph 7 or has given a notice of refusal of the recommendation, the Minister of Finance and the minister having jurisdiction over the business may order the person to change the content pertaining to the inward direct investment, etc., or to discontinue the inward direct investment, etc.; provided, however, that the period for giving an order of the change or discontinuance

shall be up to the expiration date of the period extended pursuant to the provision of paragraph 3 or 6, counting from the day of acceptance of the notification.

- (11) When the Minister of Finance and the minister having jurisdiction over the business find that inward direct investment, etc. pertaining to a notification pursuant to the provision of paragraph 1 has ceased to fall under Inward Direct Investment, etc. Pertaining to National Security, etc. due to change in economic conditions or other reasons, he/she may rescind, in whole or in part, a relevant recommendation or order in regard to a person who has given a notice of acceptance of the recommendation of change of content pertaining to inward direct investment, etc. pursuant to the provision of paragraph 7 or a person who has been ordered to change the content pertaining to inward direct investment, etc. pursuant to the provision of the preceding paragraph.
- (12) In addition to what is prescribed in paragraphs 5 to 11 inclusive, the procedures of recommendation of change of content pertaining to inward direct investment, etc. or discontinuance of inward direct investment, etc., and other matters necessary for such recommendations shall be specified by Cabinet Order.
- (13) With regard to those equivalent to inward direct investment, etc. made by a person who is not a foreign investor (including juridical persons and other organizations) on behalf of a foreign investor not under the name of the foreign investor, the provisions of the preceding respective paragraphs shall apply, deeming the person who is not a foreign investor as a foreign investor.

Article 28 Deleted.

Article 29 Deleted.

(Notification of Conclusion of a Technology Introduction Contract, etc. and Recommendation of a Change, etc.)

Article 30 (1) When a resident intends to commit acts of concluding or renewing, with a non-resident (including the Branch Offices, etc. in Japan of non-residents; hereinafter the same shall apply in this article), a contract pertaining to the transfer of industrial property rights or other rights related to technology, establishment of the right to use these rights or guidance on technology related to business management conducted by the non-resident, or acts of making changes in the provision of such a contract (hereinafter referred to as "Conclusion of a Technology Introduction Contract, etc." in this article and Articles 55-6 and 70), which are specified by Cabinet Order as being likely to fall under the Conclusion of a Technology Introduction Contract, etc. that requires examination pursuant to the provision of paragraph 3, he/she shall

notify in advance, pursuant to the provisions of Cabinet Order, the Minister of Finance and the minister having jurisdiction over the business of the provisions of the contract and other matters specified by Cabinet Order in regard to the Conclusion of a Technology Introduction Contract, etc.

- (2) A resident who has given notification on Conclusion of a Technology Introduction Contract, etc. pursuant to the provision of the preceding paragraph shall not conduct the Conclusion of a Technology introduction Contract, etc. pertaining to the notification before the expiration of 30 days from the day of acceptance of the notification by the Minister of Finance and the minister having jurisdiction over the business; provided, however, that when the Minister of Finance and the minister having jurisdiction over the business find, before the expiration of the period, based on the kind of the technology or other matters, that the Conclusion of a Technology Introduction Contract, etc. pertaining to the notification does not fall under the Conclusion of a Technology Introduction Contract, etc. that requires examination pursuant to the provision of the next paragraph, he/she may shorten the period.
- (3) Where the Minister of Finance and the minister having jurisdiction over the business have received a notification pursuant to the provision of paragraph 1, when he/she finds it necessary to examine whether or not the Conclusion of a Technology Introduction Contract, etc. pertaining to the notification falls under the Conclusion of a Technology Introduction Contract, etc. that is likely to cause any of the following situations (limited to the Conclusion of a Technology Introduction Contract, etc. with a non-resident whose state is a member state of a multilateral treaty or other international agreement on the Conclusion of a Technology Introduction Contract, etc., which is specified by Cabinet Order and to which Japan has acceded (hereinafter referred to as the "Treaty, etc." in this paragraph), and which is free from the obligations pursuant to the Treaty, etc. in regard to removal of restrictions on the Conclusion of a Technology Introduction Contract, etc., and the Conclusion of a Technology Introduction Contract, etc. with a non-resident whose state is a state other than member states to the Treaty, etc. which would be free from the obligations if the state was a member state of the Treaty, etc. (referred to as the "Conclusion of a Technology Introduction Contract, etc. pertaining to National Security, etc." in paragraphs 4 and 5)), he/she may extend the period in which the Conclusion of a Technology Introduction Contract, etc. pertaining to the notification shall not be conducted up to four months from the day of acceptance of the notification.
- (i) National security is impaired, the maintenance of public order is disturbed, or the protection of public security is hindered.
  - (ii) Significant adverse effect is brought to the smooth management of the Japanese economy.
- (4) Where the Minister of Finance and the minister having jurisdiction over the

- business have extended the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted pursuant to the provision of the preceding paragraph, when he/she finds, before the expiration of the extended period, through examination pursuant to the provision of the said paragraph that the Conclusion of a Technology Introduction Contract, etc. pertaining to a notification pursuant to the provision of paragraph 1 does not fall under the Conclusion of a Technology Introduction Contract, etc. pertaining to National Security, etc., he/she may shorten the extended period.
- (5) Where the Minister of Finance and the minister having jurisdiction over the business have extended the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted pursuant to the provision of paragraph 3, when he/she finds through examination pursuant to the said paragraph that the Conclusion of a Technology Introduction Contract, etc. pertaining to a notification pursuant to the provision of paragraph 1 falls under the Conclusion of a Technology Introduction Contract, etc. pertaining to National Security, etc., he/she may recommend a person who has given notification of the Conclusion of a Technology Introduction Contract, etc. to change, in whole or in part, the provisions pertaining to the Conclusion of a Technology Introduction Contract, etc. or to discontinue it after hearing the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions; provided, however, that the period for making the recommendation of the change or discontinuance shall be up to the expiration date of the period extended pursuant to the provision of paragraph 3 or 6, counting from the day of acceptance of the notification.
- (6) Where the Minister of Finance and the minister having jurisdiction over the business hear the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions pursuant to the provision of the preceding paragraph, if the Council on Customs, Tariff, Foreign Exchange and other Transactions replied that it was difficult to state its opinions within a period of four months prescribed in paragraph 3 by taking into consideration the character of the case, the period in which the Conclusion of a Technology Introduction Contract shall not be conducted prescribed in the said paragraph shall be five months, notwithstanding the provision of the said paragraph.
- (7) The provisions of paragraphs 7 to 12 inclusive of Article 27 shall apply mutatis mutandis to cases where a recommendation pursuant to the provision of paragraph 5 has been made. In this case, necessary technical replacements shall be specified by Cabinet Order.
- (8) The provisions of the preceding respective paragraphs shall not apply to the Conclusion of a Technology Introduction Contract, etc. pertaining to technology developed independently by the Branch Offices, etc. in Japan of a non-resident and other Conclusion of a Technology Introduction Contract, etc. specified by

Cabinet Order.

Article 31 Deleted.

Article 32 Deleted.

Article 33 Deleted.

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## **Chapter VI Foreign Trade**

(Principle of Export)

Article 47 Export of goods shall be permitted under the minimum restrictions insofar as it conforms to the purpose of this Act.

(Permission, etc. for Export)

Article 48 (1) Any person who intends to conduct the export of specific kinds of goods to specified regions, which is specified by Cabinet Order as being considered to obstruct the maintenance of international peace and security, shall obtain, pursuant to the provisions of Cabinet Order, permission from the Minister of Economy, Trade and Industry.

(2) The Minister of Economy, Trade and Industry may, when he/she finds it necessary for the assured enforcement of the provision of the preceding paragraph, impose, pursuant to the provisions of Cabinet Order, on a person who intends to export specific kinds of goods set forth in the said paragraph to a region other than the specified regions set forth in the said paragraph the obligation to obtain permission.

(3) In addition to cases prescribed in the preceding two paragraphs, the Minister of Economy, Trade and Industry may impose, pursuant to the provisions of Cabinet Order, on a person who intends to export specific kinds of goods or to export goods to the specified regions or a person who intends to export goods through specified transaction the obligation to obtain approval, to the extent necessary to maintain equilibrium of the international balance of trade, to achieve the sound development of foreign trade and the national economy, to sincerely fulfill obligations under the treaties and other international agreements Japan has signed, to make Japan's contribution to international efforts for achieving international peace, or to implement a cabinet decision set forth in Article 10, paragraph 1.

Article 49 Deleted.

Article 50 Deleted.

(Suspension of Shipment in Case of Emergency)

Article 51 The Minister of Economy, Trade and Industry may, when he/she finds it particularly urgently necessary, suspend, pursuant to the provisions of the Ordinance of the Ministry of Economy, Trade and Industry, the shipment of goods for a period of not more than one month, designating items or destinations.

(Import Approval)

Article 52 For the purpose of achieving the sound development of foreign trade and the national economy, sincerely fulfilling obligations under the treaties and other international agreements Japan has signed, making Japan's contribution to international efforts for achieving international peace, or implementing a cabinet decision set forth in Article 10, paragraph 1, any person who intends to import goods may be obliged to obtain import approval

pursuant to the provisions of Cabinet Order.

(Sanctions)

- Article 53 (1) The Minister of Economy, Trade and Industry may prohibit a person who has exported goods prescribed in Article 48, paragraph 1 without obtaining permission pursuant to the provision of the said paragraph from exporting goods or conducting transactions designed to provide the Specified Technology with a non-resident, for a period of not more than three years.
- (2) The Minister of Economy, Trade and Industry may prohibit a person who has violated this Act, any order based on this Act, or any disposition based thereon (excluding those prescribed in the preceding paragraph) in regard to the import or export of goods from conducting import or export for a period of not more than one year.

(Direction and Supervision, etc. over the Directors-General of Custom-Houses)

- Article 54 (1) The Minister of Economy, Trade and Industry may, pursuant to the provisions of Cabinet Order, direct and supervise the Directors-General of Custom-Houses in regard to the import and export of goods, which fall under his/her jurisdiction.
- (2) The Minister of Economy, Trade and Industry may delegate, pursuant to the provisions of Cabinet Order, part of the authority based on this Act to the Directors-General of Custom-Houses.

## **Chapter VI-2 Report, etc.**

(Report of Payment, etc.)

- Article 55 (1) When a resident or a non-resident has received a payment made from Japan to a foreign state or a payment made from a foreign state to Japan, or when a resident has made a payment, etc. to a non-resident in Japan or in a foreign state, the resident or non-resident, or the resident shall report to the competent minister, pursuant to the provisions of Cabinet Order, the content of the payment, etc., time of making the payment, etc. and other matters specified by Cabinet Order, except cases specified by Cabinet Order.
- (2) Where a payment, etc. set forth in the preceding paragraph pertaining to a report is made through exchange transactions conducted by the Banks, etc., the report pursuant to the provision of the said paragraph shall be made, pursuant to the provisions of Cabinet Order, through the Banks, etc.; provided, however, that where a report set forth in the preceding paragraph is made by use of an electronic data processing system prescribed in Article 3, paragraph 1 of the Act on the Utilization of Information and Communications Technology in Administrative Procedure, etc. (Act No. 151 of 2002) pursuant to the provision

of the said paragraph, it may be made without going through the Banks, etc. or postal service offices.

Article 55-2 Deleted.

(Report of Capital Transactions)

Article 55-3 (1) When a resident or a non-resident has become a party to capital transactions listed in the following items (excluding those falling under the specified capital transactions; hereinafter the same shall apply in this article), the resident or non-resident shall report, pursuant to the provisions of Cabinet Order, to the Minister of Finance the content of the capital transactions, the time of conducting the capital transactions and other matters specified by Cabinet Order on a case-by-case basis, according to the classifications prescribed respectively in those items, except cases specified by Cabinet Order; provided, however, that this shall not apply to capital transactions listed in item 6, which shall be notified pursuant to the provision of Article 23, paragraph 1.

- (i) Capital transactions listed in Article 20, item 1: A resident
- (ii) Capital transactions listed in Article 20, item 2 (excluding those falling under capital transactions listed in item 6): A resident
- (iii) Capital transactions listed in Article 20, item 3: A resident
- (iv) Among capital transactions listed in Article 20, item 4, the Transactions Pertaining to the Occurrence, etc. of Claims receivable in foreign currency based on a deposit contract, a trust contract, a money loan contract, an obligation guarantee contract, or a sales contract for the foreign means of payment or claims, between a resident and another resident: A resident
- (v) Capital transactions listed in Article 20, item 5 (excluding those falling under capital transactions listed in the next item): A resident
- (vi) Among capital transactions listed in Article 20, items 2, 5 and 11, those pertaining to outward direct investment by a resident: A resident
- (vii) Among capital transactions listed in Article 20, item 6, issue or offer for subscription of securities in a foreign state or issue or offer for subscription of foreign securities in Japan, by a resident: A resident
- (viii) Among capital transactions listed in Article 20, item 6, issue or offer for subscription of securities in Japan by a non-resident: A non-resident
- (ix) Capital transactions listed in Article 20, item 7: A non-resident
- (x) Capital transactions listed in Article 20, item 8: A resident
- (xi) Capital transactions listed in Article 20, item 9: A resident
- (xii) Among capital transactions listed in Article 20, item 10, acquisition of real estate existing in Japan or rights related thereto by a non-resident: A non-resident

- (xiii) Among capital transactions listed in Article 20, item 12, those specified by Cabinet Order: A resident or a non-resident specified by Cabinet Order
- (2) When the Banks, etc., securities corporations and financial futures traders have acted as an intermediary, agency or agent for capital transactions listed in item 5, 10 or 11 of the preceding paragraph, they shall report, pursuant to the provisions of Cabinet Order, to the Minister of Finance the content of the capital transactions, the time of conducting the capital transactions and other matters specified by Cabinet Order on a case-by-case basis.
- (3) Where a resident who is neither the Banks, etc., nor a securities corporation, nor a notifier (meaning a resident who is a party to capital transactions listed in Article 1, item 4 or 11, who has notified the Minister of Finance that he/she intends to arrange that a report pursuant to the provision of the said paragraph by a person who is the other party to these capital transactions is not required pursuant to the provisions of the Ordinance of the Ministry of Finance as well as having notified the name or denomination and address and other matters specified by the Ordinance of the Ministry of Finance; hereinafter the same shall apply in this article) has become a party to capital transactions listed in item 4 or 11 of the said paragraph, when the other party to the capital transactions is the Banks, etc., a securities corporation or a notifier, the resident shall not be required to make a report pursuant to the provision of the said paragraph pertaining to the capital transactions, notwithstanding the provision of the said paragraph.
- (4) In addition to the cases prescribed in the preceding paragraph, where a resident has become a party to capital transactions listed in paragraph 1, item 5, 10, or 11, when the Banks, etc., a securities corporation or a financial futures trader act as an intermediary, agency or agent for the capital transactions, the resident shall not be required to make a report pursuant to the provision of the said paragraph pertaining to the capital transactions, notwithstanding the provision of the said paragraph.
- (5) The Banks, etc., securities corporations, notifiers and financial futures traders may report in block, pursuant to the provisions of Cabinet Order, the matters specified by the Ordinance of the Ministry of Finance in regard to capital transactions, to which they have been parties or for which they have acted as an intermediary, agency or agent within a certain period of time, notwithstanding the provision of paragraph 1 or 2 for the Banks, etc. and securities corporations, the provision of paragraph 1 for notifiers, and the provision of paragraph 2 for financial futures traders. In this case, those which have made the report shall prepare and preserve, pursuant to the provisions of Cabinet Order, books and documents in which matters specified by the Ordinance of the Ministry of Finance are described in regard to capital transactions pertaining to the report.

- (6) When there have been any changes in notified matters prescribed in paragraph 3, the notifier shall notify the Minister of Finance of that fact and the changed matters without delay.
- (7) Public notice related to the notification set forth in paragraph 3, inspection of a list of notifiers and other necessary matters concerning the notification set forth in the said paragraph shall be specified by the Ordinance of the Ministry of Finance.

Article 55-4 When a resident has become a party to the following specified capital transactions, the resident shall report, pursuant to the provisions of Cabinet Order, to the Minister of Economy, Trade and Industry the content of the specified capital transactions, the time of conducting the specified capital transactions and other matters specified by Cabinet Order, except the cases specified by Cabinet Order.

- (i) Specified capital transactions pertaining to capital transactions listed in Article 20, item 2
- (ii) Among specified capital transactions pertaining to capital transactions listed in Article 20, item 12, those specified by Cabinet Order

(Report of Inward Direct Investment, etc.)

Article 55-5 (1) When a foreign investor has made an inward direct investment, etc. (excluding those specified by Cabinet Order by taking into consideration inheritance, testamentary gift, merger of juridical persons or other circumstances; hereinafter the same shall apply in this article), he/she shall report, pursuant to the provisions of Cabinet Order, to the Minister of Finance and the minister having jurisdiction over the business the content of the inward direct investment, etc., the time of making the inward direct investment, etc. and other matters specified by Cabinet Order; provided, however, that this shall not apply to inward direct investment, etc. that shall be notified pursuant to the provision of Article 27, paragraph 1.

(2) With regard to those equivalent to the inward direct investment, etc. made by a person who is not a foreign investor (including juridical persons and other organizations) on behalf of a foreign investor not under the name of the foreign investor, the provision of the preceding paragraph shall apply deeming the person who is not a foreign investor to be a foreign investor.

(Report of Conclusion of a Technology Introduction Contract, etc.)

Article 55-6 (1) When a resident has conducted the Conclusion of a Technology Introduction Contract, etc. with a non-resident (including the Branch Offices, etc. in Japan of the non-resident), he/she shall report, pursuant to the provisions of Cabinet Order, to the Minister of Finance and the minister

having jurisdiction over the business the Conclusion of a Technology Introduction Contract, etc.; provided, however, that this shall not apply to the Conclusion of a Technology Introduction Contract, etc. which shall be notified pursuant to the provision of Article 30, paragraph 1.

- (2) The provision of the preceding paragraph shall not apply to the Conclusion of a Technology Introduction Contract, etc. pertaining to technology developed independently by the Branch Offices, etc. in Japan of non-residents and other kinds of Conclusion of a Technology Introduction Contract specified by Cabinet Order.

(Report of Matters Related to Foreign Exchange Business)

Article 55-7 To the extent necessary for achieving the purpose of this Act, the Minister of Finance may request, pursuant to the provisions of the Cabinet Order, those conducting foreign exchange business (meaning conducting any of foreign exchange transactions or other transactions or acts, which are specified by Cabinet Order as being closely related to the trend of the international balance of trade or foreign borrowing and lending of Japan, on a regular basis; the same shall apply in Article 69, paragraph 1), which are specified by Cabinet Order as those conducting such business on a considerable scale, to make a report on matters related to the foreign exchange business (excluding matters subject to a report pursuant to the provision of Article 55-3).

(Other Reports)

Article 55-8 In addition to what are separately provided for in this Act, to the extent necessary for achieving the purpose of this Act, the competent minister may request, pursuant to the provisions of Cabinet Order, those conducting or having conducted any transactions, acts or payments, etc. governed by this Act, or relevant persons to make a report on the content of the transactions, acts or payments, etc. and other matters related to the transactions, acts or payments, etc..

(Statistics Related to Foreign Borrowing and Lending and International Balance of Trade)

Article 55-9 (1) The Minister of Finance shall prepare, pursuant to the provisions of Cabinet Order, statistics related to foreign borrowing and lending and the international balance of trade, and shall periodically report them to the Cabinet.

- (2) The Minister of Finance may, when he/she finds it necessary for preparing statistics prescribed in the preceding paragraph, request, pursuant to the provisions of Cabinet Order, relevant administrative organs or others to submit materials.

### **Chapter VI-3 Deleted.**

Article 55-10 Deleted.

Article 55-11 Deleted.

### **Chapter VII Relationship with the Administrative Procedure Act**

(Exclusion from Application of the Administrative Procedure Act)

Article 55-12 The provisions of Chapters 2 and 3 of the Administrative Procedure Act (Act No. 88 of 1993) shall apply neither to permission pursuant to the provision of Article 25, paragraph 1 or 2, or Article 48, paragraph 1 or 2, nor to rescission thereof.

### **Chapter VII-2 Appeal**

(Hearing of Opinions in the Appeal Procedure)

- Article 56 (1) When the competent minister has accepted an objection or an application for examination in regard to a disposition pursuant to the provisions of this Act or an order based on this Act, he/she shall conduct a hearing of opinions open to the public after giving a reasonably long advance notice to the objector or the applicant.
- (2) The advance notice set forth in the preceding paragraph shall state the date, place and the content of the subject case.
- (3) In the hearing of opinions set forth in paragraph 1, the objector or applicant and other interested persons shall be given an opportunity to present evidence and state opinions in regard to the subject case.
- (4) In addition to what is prescribed in the preceding three paragraphs, necessary matters concerning the procedure of the hearing of opinions set forth in paragraph 1 shall be specified by Cabinet Order.

(Relationship between Appeal and Lawsuit)

- Article 57 (1) No action for the rescission of a disposition prescribed in paragraph 1 of the preceding article may be filed until a ruling or determination on an opposition or application for examination in regard to the disposition is made.
- (2) The provision of Article 27, paragraph 2 of the Administrative Procedure Act shall not apply to the disposition prescribed in paragraph 1 of the preceding article.

Article 58 Deleted.

Article 59 Deleted.

Article 60 Deleted.

Article 61 Deleted.

Article 62 Deleted.

Article 63 Deleted.

Article 64 Deleted.

### **Chapter VIII Miscellaneous Provisions**

(Authority of the Fair Trade Commission)

Article 65 No provision of this Act shall be construed as eliminating, changing or influencing the application of the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947) or the authority exercised by the Fair Trade Commission based on the said act in whatever position.

(Acts of Governmental Institutions)

Article 66 The provisions of this Act or orders based on this Act, which prescribe that permission, approval or other disposition from the competent minister is required, shall not apply, pursuant to the provisions of Cabinet Order, to cases where a governmental institution commits an act that requires permission, approval or other disposition.

(Conditions Attached to Permission, etc.)

Article 67 (1) The competent minister may attach conditions to permission or approval pursuant to the provisions of this Act or an order based on this Act, and may change these conditions.

(2) The conditions set forth in the preceding paragraph shall be those minimum necessary for ensuring assured implementation of matters pertaining to the permission or approval set forth in the preceding paragraph.

(On-site Inspection)

Article 68 (1) To the extent necessary for enforcing this Act, the competent minister may have the official of the ministry enter the business office, office,

factory, or other facility of a person who conducts foreign exchange business or other transactions or acts governed by this Act, to inspect books and documents and other objects or to question relevant persons.

- (2) When the official enters such a facility pursuant to the provision of the preceding paragraph, he/she shall carry identification and present it to the relevant persons.
- (3) The authority for on-site inspection or questions pursuant to the provision of paragraph 1 shall not be construed as being granted for a criminal investigation.

(Delegation of the Authority)

Article 68-2 The competent minister may delegate, pursuant to the provisions of Cabinet Order, part of the authority based on this Act to the heads of local branch offices.

(Partial Delegation of Affairs)

Article 69 (1) The competent minister may, pursuant to the provisions of Cabinet Order, have the Bank of Japan deal with part of affairs related to the enforcement of this Act.

- (2) Where the competent minister has the Bank of Japan deal with part of affairs pursuant to the provision of the preceding paragraph, the provision of Article 43, paragraph 1 of the Bank of Japan Act (Act No. 89 of 1997) shall not apply to the said part of affairs.
- (3) Where the competent minister has the Bank of Japan deal with part of affairs pursuant to the provision of paragraph 1, expenses required for dealing with the affairs may be borne by the Bank of Japan.

Article 69-2 Deleted.

(Competent Minister, etc.)

Article 69-3 (1) The competent minister referred to in this Act shall be specified by Cabinet Order.

- (2) The minister having jurisdiction over the business referred to in this Act shall be specified by Cabinet Order as the minister having jurisdiction over the business pertaining to inward direct investment, etc. or the Conclusion of a Technology Introduction Contract, etc., except as otherwise specified.

Article 69-4 (1) The competent ministers listed in the following items may, when they find it particularly necessary, ask the Minister of Foreign Affairs or the heads of other relevant administrative organs to provide materials or information, express opinions or offer other necessary cooperation in regard to

operation of the provisions prescribed respectively in those items.

(i) The competent minister: Article 16, paragraph 1, or Article 25, paragraph 4

(ii) Minister of Finance: Article 21, paragraph 1

(iii) Minister of Economy, Trade and Industry: Article 24, paragraph 1, Article 25, paragraph 1 or 2, Article 48, or Article 52

(2) The Minister of Foreign Affairs or the heads of other relevant administrative organs may, when they find it particularly necessary for fulfilling obligations under the treaties and other international agreements Japan has signed or making Japan's contribution to international efforts for achieving international peace, state their opinions to the competent ministers prescribed respectively in items 1 to 3 inclusive in regard to the operation of the provisions listed in items 1 to 3 inclusive, and may, when they find it particularly necessary for maintaining international peace and security, express their opinions to the competent minister prescribed in item 4 in regard to the operation of the provisions listed in the said item.

(i) Article 16, paragraph 1, or Article 25, paragraph 4: The competent minister

(ii) Article 21, paragraph 1: Minister of Finance

(iii) Article 24, paragraph 1, Article 48, paragraph 3, or Article 52: Minister of Economy, Trade and Industry

(iv) Article 25, paragraph 1 or 2, or Article 48, paragraph 1 or 2: Minister of Economy, Trade and Industry

(Transitional Measures)

Article 69-5 In the case of enacting, or revising or abolishing an order based on this Act, necessary transitional measures (including transitional measures concerning the penal provisions) may be prescribed in the order, to the extent considered reasonably necessary for the enactment, or revision or abolition of the order.

## **Chapter IX Penal Provisions**

Article 69-6 (1) Any person who falls under any of the following items shall be punished by imprisonment with work for not more than five years or a fine of not more than two million yen, or both; provided, however, that when five times the price of the subject matter of the violation exceeds two million yen, a fine shall be not more than five times the price.

(i) Any person who has conducted transactions prescribed by the provisions of an order pursuant to Article 25, paragraph 1 without obtaining permission pursuant to the provision of the said paragraph

(ii) Any person who has exported goods prescribed by the provisions of an order pursuant to Article 48, paragraph 1 without obtaining permission pursuant

- to the provision of the said paragraph
- (2) Any person who has attempted the offense set forth in item 2 of the preceding paragraph shall be punished.

Article 70 Any person who falls under any of the following items shall be punished by imprisonment with work for not more than three years or a fine of not more than one million yen, or both; provided, however, that three times the price of the subject matter of the violation exceeds one million yen, a fine shall be not more than three times the price.

- (i) Any person who has made a payment, etc. in violation of Article 8
- (ii) Any person who has conducted transactions, acts or payments, etc. in violation of an order pursuant to Article 9, paragraph 1
- (iii) Any person who has made a payment, etc. without obtaining permission pursuant to the provisions of an order pursuant to Article 16, paragraphs 1 to 3 inclusive, or in violation of paragraph 5 of the said article
- (iv) Any person who has made a payment, etc. in violation of prohibition of payments, etc. pursuant to the provision of Article 16-2, or without obtaining permission pursuant to the provisions of an order pursuant to the said article
- (v) Any person who has conducted business pertaining to foreign exchange transactions in violation of suspension or restriction pursuant to the provision of Article 17-2, paragraph 2
- (vi) Any person who has imported or exported means of payment or securities, or precious metal prescribed in Article 19, paragraph 1 without obtaining permission pursuant to the provisions of an order pursuant to Article 19, paragraph 1 or 2
- (vii) Any person who has conducted capital transactions without obtaining permission pursuant to the provisions of an order pursuant to Article 21, paragraph 1 or 2
- (viii) Any person who has conducted capital transactions in violation of prohibition of capital transactions pursuant to the provision of Article 22, paragraph 1, or without obtaining permission pursuant to the provisions of an order pursuant to the said paragraph
- (ix) Any person who has settled accounting in violation of Article 22, paragraph 2
- (x) Any person who has made an outward direct investment failing to give notification pursuant to Article 23, paragraph 1 or giving a false notification
- (xi) Any person who has made an outward direct investment in violation of Article 23, paragraph 3 or 5, within a period prescribed in those paragraphs
- (xii) Any person who has made an outward direct investment in violation of Article 23, paragraph 7
- (xiii) Any person who has made an outward direct investment in violation of an

- order of change or discontinuance pursuant to the provision of Article 23, paragraph 9
- (xiv) Any person who has conducted specified capital transactions without obtaining permission pursuant to the provisions of an order pursuant to Article 24, paragraph 1 or 2
  - (xv) Any person who has conducted specified capital transactions in violation of prohibition of specified capital transactions pursuant to the provision of Article 24-2, or without obtaining permission pursuant to the provisions of an order pursuant to the said article
  - (xvi) Any person who has conducted transactions designed to provide the Specified Technology without obtaining permission pursuant to the provisions of an order pursuant to Article 25, paragraph 2
  - (xvii) Any person who has conducted service transactions specified by an order pursuant to Article 25, paragraph 3 without obtaining permission pursuant to the said paragraph
  - (xviii) Any person who has conducted the Service Transactions, etc. without obtaining permission pursuant to the provisions of an order pursuant to Article 25, paragraph 4
  - (xix) Any person who has conducted transactions or exported goods in violation of prohibition of transactions designed to provide technology or export of goods pursuant to the provision of Article 25-2, paragraph 1 or 3
  - (xx) Any person who has conducted transactions or exported goods in violation of prohibition of transactions related to the buying and selling of goods or export of goods pursuant to the provision of Article 25-2, paragraph 2
  - (xxi) Any person who has conducted the Service Transactions, etc. in violation of prohibition of the Service Transactions, etc. pursuant to the provision of Article 25-2, paragraph 4, or without obtaining permission pursuant to the provisions of an order pursuant to the said paragraph
  - (xxii) Any person who has made an inward direct investment, etc. failing to give notification pursuant to the provision of Article 27, paragraph 1 or giving a false notification (including those deemed to be a foreign investor pursuant to the provision of paragraph 13 of the said article)
  - (xxiii) Any person who has made an inward direct investment, etc. within a period prescribed in Article 27, paragraph 2 (where the period was extended pursuant to the provision of paragraph 3 or 6 of the said article or shortened pursuant to the provision of paragraph 4 of the said article, the period extended or shortened) in violation of the said paragraph (including those deemed to be a foreign investor pursuant to the provision of paragraph 13 of the said article)
  - (xxiv) Any person who has made an inward direct investment, etc. in violation of Article 27, paragraph 8 (including those deemed to be a foreign investor

- pursuant to the provision of paragraph 13 of the said article)
- (xxv) Any person who has made an inward direct investment, etc. in violation of an order of change or discontinuance pursuant to the provision of Article 27, paragraph 10 (including those deemed to be a foreign investor pursuant to the provision of paragraph 13 of the said article)
  - (xxvi) Any person who has conducted the Conclusion of a Technology Contract, etc. failing to give notification pursuant to the provision of Article 30, paragraph 1 or giving a false notification
  - (xxvii) Any person who has conducted the Conclusion of a Technology Introduction Contract, etc. within the period prescribed in Article 30, paragraph 2 (where the period was extended pursuant to the provision of paragraph 3 or 6 of the said article or shortened pursuant the provision of paragraph 4 of the said article, the period extended or shortened) in violation of the said paragraph
  - (xxviii) Any person who has conducted the Conclusion of a Technology Contract, etc. in violation of Article 27, paragraph 8, as applied mutatis mutandis pursuant to Article 30, paragraph 7
  - (xxix) Any person who has conducted the Conclusion of a Technology Contract, etc. in violation of an order of change or discontinuance pursuant to the provision of Article 27, paragraph 10, as applied mutatis mutandis pursuant to Article 30, paragraph 7
  - (xxx) Any person who has exported goods without obtaining permission pursuant to the provisions of an order pursuant to Article 48, paragraph 2
  - (xxxi) Any person who has exported goods without obtaining approval pursuant to the provisions of an order pursuant to Article 48, paragraph 3
  - (xxxii) Any person who has shipped goods in violation of an order pursuant to Article 51
  - (xxxiii) Any person who has imported goods without obtaining approval pursuant to the provisions of an order pursuant to Article 52
  - (xxxiv) Any person who has exported goods or conducted transactions in violation of prohibition of export of goods or transactions designed to provide the Specified Technology pursuant to the provision of Article 53, paragraph 1
  - (xxxv) Any person who has imported or exported goods in violation of prohibition of import or export of goods pursuant to the provision of Article 53, paragraph 2

Article 70-2 Any person who has violated an order pursuant to Article 18-4 (including the cases where it is applied mutatis mutandis pursuant to Article 22-2, paragraph 2 and Article 22-3) shall be punished by imprisonment with work for not more than two years or a fine of not more than three million yen, or both.

Article 71 Any person who falls under any of the following items shall be punished by imprisonment with work for not more than six months or a fine of not more than two hundred thousand yen.

- (i) Any person who has imported or exported means of payment or securities prescribed in Article 19, paragraph 1, or precious metal, failing to give notification pursuant to the provision of Article 19, paragraph 3 or giving a false notification
- (ii) Any person who has failed to make a report pursuant to the provision of Article 55, paragraph 1 or has made a false report
- (iii) Any person who has failed to make a report pursuant to the provision of Article 55-3, paragraph 1 or 2, or has made a false report
- (iv) Any person who has failed to prepare books and documents pursuant to the provision of Article 55-3, paragraph 5, has failed to describe the matters prescribed in the said paragraph in the books and documents, or has made a false description, or has failed to preserve the books and documents
- (v) Any person who has failed to make a report pursuant to the provision of Article 55-4, or has made a false report
- (vi) Any person who has failed to make a report pursuant to the provision of Article 55-5, paragraph 1, or has made a false report (including those deemed to be a foreign investor pursuant to the provision of paragraph 2 of the said article)
- (vii) Any person who has failed to make a report pursuant to the provision of Article 55-6, paragraph 1, or has made a false report
- (viii) Any person who has failed to make a report in violation of an order pursuant to Article 55-7, or has made a false report
- (ix) Any person who has failed to make a report in violation of an order pursuant to Article 55-8, or has made a false report
- (x) Any person who has refused, obstructed or avoided inspection pursuant to the provision of Article 68, paragraph 1
- (xi) Any person who has failed to answer a question pursuant to the provision of Article 68, paragraph 1, or has made a false answer

Article 71-2 Any person who has violated Article 18, paragraph 4 (including the cases where it is applied mutatis mutandis pursuant to Article 22-2, paragraph 2 and Article 22-3) for the purpose of concealing the Identifying Matters shall be punished by a fine of not more than five hundred thousand yen.

Article 72 (1) When a representative of a juridical person (including those falling under organizations prescribed in Article 26, paragraph 1, items 2 and 4, Article 27, paragraph 13, and Article 55-5, paragraph 2; hereinafter the same

shall apply in this paragraph) or an agent, employee or other worker of a juridical person or individual has committed any violation set forth in Articles 69-6 to 71-2 inclusive (excluding Article 70-2) with regard to the business or property of the said juridical person or individual, not only shall the offender be punished but also the said juridical person or individual shall be punished by the fine prescribed in the respective articles.

- (2) When a representative of a juridical person or an agent, employee or other worker of a juridical person or individual has committed a violation set forth in Article 70-2 with regard to the business of the said juridical person or individual, not only shall the offender be punished but also the said juridical person shall be punished by a fine of not more than three hundred million yen and the said individual shall be punished by a fine set forth in the said article.
- (3) In the case of punishment of any organization falling under organizations prescribed in Article 26, paragraph 1, items 2 and 4, Article 27, paragraph 13 and Article 55-5, paragraph 2, the representative or administrator thereof shall represent the organization for the procedural action, and the provisions of the act on criminal suits in cases where a juridical person is the accused shall apply mutatis mutandis.

Article 73 Any person who falls under any of the following items shall be punished by a civil fine of not more than one hundred thousand yen.

- (i) Any person who has failed to give notification pursuant to the provision of Article 55-3, paragraph 6, or has given a false notification
- (ii) Any person who has violated any condition attached pursuant to the provision of Article 67, paragraph 1

### **Supplementary Provisions**

The effective date of this Act shall be specified by Cabinet Order with respect to each provision; provided, however, that the date shall not be later than June 30, 1950.

### **Supplementary Provisions [Act No. 52 of March 31, 1950]**

This Act shall come into force as from the day of promulgation.

### **Supplementary Provisions [Act No. 56 of March 30, 1951 Extract] [Extract]**

- (1) This Act shall come into force as from April 1, 1951.

**Supplementary Provisions [Act No. 270 of July 31, 1952 Extract]  
[Extract]**

- (1) This Act shall come into force as from August 1, 1952.
- (4) A disposition imposed by the Foreign Exchange Control Commission pursuant to the provisions of the Foreign Exchange and Foreign Trade Control Act prior to the revision and orders based thereon shall be deemed to be a disposition imposed by the Minister of Finance pursuant to the corresponding provisions of the revised Foreign Exchange and Foreign Trade Control Act and orders based thereon.
- (5) An application for a disposition to be imposed by the Foreign Exchange Control Commission pursuant to the provisions of the Foreign Exchange and Foreign Trade Control Act prior to the revision and orders based thereon, and the acceptance thereof, which has been effected prior to the enforcement of this Act, shall be deemed to be an application for a disposition to be imposed by the Minister of Finance pursuant to the corresponding provisions of the revised Foreign Exchange and Foreign Trade Control Act and orders based thereon, and the acceptance thereof.

**Supplementary Provisions [Act No. 299 of August 5, 1952 Extract]  
[Extract]**

- (1) The effective date of this Act shall be specified by Cabinet Order within a period not exceeding two months from the day of promulgation.

**Supplementary Provisions [Act No. 259 of September 1, 1953 Extract]  
[Extract]**

- (1) This Act shall come into force as from the day of promulgation.

**Supplementary Provisions [Act No. 67 of April 10, 1954 Extract] [Extract]**

- (1) This Act shall come into force as from the day of promulgation.

**Supplementary Provisions [Act No. 138 of June 1, 1954]**

This Act shall come into force as from the day of promulgation.

**Supplementary Provisions [Act No.140 of August 6, 1955 Extract]  
[Extract]**

- (1) The effective date of this Act shall be specified by Cabinet Order within a period not exceeding two months from the day of promulgation.

**Supplementary Provisions [Act No. 156 of May 15, 1958]**

- (1) This Act shall come into force as from the day of promulgation.
- (2) With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

**Supplementary Provisions [Act No. 140 of May 16, 1962 Extract] [Extract]**

- (1) This Act shall come into force as from October 1, 1962.
- (2) The provisions revised by this Act shall apply to matters which have arisen prior to the enforcement of this Act, except as otherwise provided by the Supplementary Provisions; provided, however, that those provisions shall not obstruct the effect which has arisen pursuant to the provisions prior to the revision by this Act.
- (3) With regard to lawsuits actually pending at the time of the enforcement of this Act, the provisions then in force shall remain applicable, notwithstanding the provisions revised by this Act to the effect that the lawsuits may not be filed.
- (4) With regard to jurisdiction over lawsuits actually pending at the time of the enforcement of this Act, the provisions then in force shall remain applicable, notwithstanding the provisions revised by this Act to the effect that the jurisdiction shall be the exclusive jurisdiction.
- (5) With regard to the statute of limitations for filing a lawsuit concerning a disposition or determination, for which the statute of limitations for filing a lawsuit pursuant to the provisions prior to the revision by this Act has actually progressed at the time of the enforcement of this Act, the provisions then in force shall remain applicable; provided, however, this shall be limited to the cases where the statute of limitations for filing a lawsuit pursuant to the provisions revised by this Act is shorter than that pursuant to the provisions prior to the revision by this Act.
- (6) The statute of limitations for filing a party suit concerning a disposition imposed or a determination made prior to the enforcement of this Act, for which the statute of limitations has come to be set due to the revision by this Act, shall be counted from the date of enforcement of this Act.
- (7) With regard to actions for rescission of a disposition or determination which are actually pending at the time of the enforcement of this Act, the provisions then in force shall remain applicable, notwithstanding the provisions revised

by this Act to the effect that one party to the legal relationship shall be the defendant; provided, however, that the court may, upon the plaintiff's application, change the action into a party suit by its ruling.

- (8) The provisions of the second sentence of Article 18, and Article 21, paragraphs 2 to 5 inclusive of the Administrative Case Litigation Act shall apply mutatis mutandis to the cases referred to in the proviso of the preceding paragraph.

**Supplementary Provisions [Act No. 161 of September 15, 1962 Extract]  
[Extract]**

- (1) This Act shall come into force as from October 1, 1962.
- (2) The provisions revised by this Act shall also apply to dispositions by an administrative agency prior to the enforcement of this Act, inactions by an administrative agency pertaining to an application filed prior to the enforcement of this Act or other matters that have arisen prior to the enforcement of this Act, except as otherwise provided by the Supplementary Provisions; provided, however, that those provisions shall not obstruct the effect which has arisen pursuant to the provisions prior to the revision by this Act.
- (3) With regard to petitions, applications for examination, objections or other appeals (hereinafter referred to as the "Petitions, etc.") filed prior to the enforcement of this Act, the provisions then in force shall remain applicable even after the enforcement of this Act. The same shall apply to the Petitions, etc. filed in the case of dissatisfaction with determinations, rulings or other dispositions on the Petitions, etc., which have been made prior to the enforcement of this Act (hereinafter referred to as the "Determinations, etc."), or the Determinations, etc. made after the enforcement of this Act in regard to the Petitions, etc. filed prior to the enforcement of this Act.
- (4) The Petitions, etc. prescribed in the preceding paragraph, which are pertaining to a disposition on which an appeal may be filed pursuant to the Administrative Appeal Act after the enforcement of this Act, shall be deemed to be appeals pursuant to the Administrative Appeal Act in regard to the application of acts other than the said act.
- (5) No appeal pursuant to the Administrative Appeal Act may be entered against the Determinations, etc. on applications for examination, oppositions or other appeals filed after the enforcement of this Act pursuant to the provision of paragraph 3.
- (6) With regard to dispositions imposed by an administrative agency prior to the enforcement of this Act, on which the Petitions, etc. may be filed pursuant to the provisions prior to the revision by this Act and for which the statute of

limitations has not been set, the statute of limitations for filing an appeal pursuant to the Administrative Appeal Act shall be counted from the date of enforcement of this Act.

- (8) With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.
- (9) In addition to what is prescribed in the preceding eight paragraphs, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.
- (10) Where this Act and the Act on the Arrangement, etc. of Relevant Acts with the Enforcement of the Administrative Case Litigation Act (Act No. 140 of 1962) contain provisions revising one and the same act, the said act shall first be revised by this Act and then be revised by the Act on the Arrangement of Relevant Acts with the Enforcement of the Administrative Case Litigation Act.

**Supplementary Provisions [Act No. 33 of March 31, 1964 Extract]  
[Extract]**

- (1) This Act shall come into force as from April 1, 1964.
- (2) With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

**Supplementary Provisions [Act No. 65 of December 18, 1979 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding one year from the day of promulgation.

(Abolition of the Act on Foreign Capital, etc.)

Article 2 The following laws and regulations shall be abolished.

- (i) Act on Foreign Capital (Act No. 163 of 1950)
- (ii) Cabinet Order on the Acquisition of Property by Foreign Nationals (Cabinet Order No. 51 of 1949)

(Transitional Measures)

Article 3 (1) With regard to transactions or acts approved or permitted pursuant to Article 31, paragraph 1, Article 32, paragraph 1, Article 34 or Article 35 of the Foreign Exchange and Foreign Trade Control Act prior to the revision by this Act (hereinafter referred to as the "Old Act"), the provisions then in force

shall remain applicable.

- (2) With regard to transactions or acts pertaining to an application, which has actually been filed pursuant to the provision of Article 31, paragraph 1, Article 32, paragraph 1, Article 34 or Article 35 of the Old Act at the time of the enforcement of this Act, these provisions (including penal provisions pertaining to these provisions) shall remain in force even after the enforcement of this Act.

Article 4 (1) Where a person who has obtained approval set forth in Article 10, Article 11, paragraph 1, Article 12, paragraph 1 or Article 13, paragraph 1 of the Act on Foreign Capital prior to its abolition by this Act (hereinafter referred to as the "Old Foreign Capital Act") (including approval pursuant to these provisions which are deemed to remain in force pursuant to the provision of the next paragraph) intends to commit, after the enforcement of this Act, a transaction or act that shall be committed in compliance with the approval, which is the transaction or act listed in Article 20, item 2, 4 or 5 or the items of Article 26, paragraph 2 (excluding items 2 and 5) of the Foreign Exchange and Foreign Trade Control Act revised by this Act (hereinafter referred to as the "New Act") or the transaction or act prescribed in Article 29, paragraph 1 of the New Act, the provisions of the New Act (excluding the provisions of Article 16 and Article 21, paragraph 2) shall apply, deeming that the notification prescribed in Article 22, paragraph 1, Article 26, paragraph 3 or Article 29, paragraph 1 has been given and that the period in which transactions or acts prescribed in Article 23, paragraph 1, Article 26, paragraph 4 or Article 29, paragraph 3 shall not be conducted has elapsed.

- (2) With regard to transactions or acts pertaining to an application or notification which has already been filed pursuant to the provision of Article 10, Article 11, paragraph 1, Article 12, paragraph 1, Article 13, paragraph 1, Article 13-2 or Article 13-3 of the Old Foreign Capital Act at the time of the enforcement of this Act, these provisions (including penal provisions pertaining to these provisions) shall remain in force even after the enforcement of this Act.

- (3) Where the date of acquisition of shares, etc. prescribed in Article 13-2 of the Old Foreign Capital Act or the date of acquisition of consideration, etc. or the right to consideration, etc. prescribed in Article 13-3 of the Old Foreign Capital Act is prior to the enforcement of this Act, these provisions (including penal provisions pertaining to Article 13-3 of the Old Foreign Capital Act) shall remain in force even after the enforcement of this Act.

- (4) The provision of Article 16 of the New Act shall not apply to a payment to a foreign state after the enforcement of this Act by a foreign investor, which is deemed to have been approved pursuant to the provision of Article 15, 15-2, 16 or 17 of the Old Foreign Capital Act prior to the enforcement of this Act. The same shall apply to a payment to a foreign state after the enforcement of this

Act by those which have been designated or confirmed pursuant to the provision of Article 13-2 or 13-3 of the Old Foreign Capital Act, which are deemed to remain in force pursuant to the provision of the preceding paragraph.

- (5) The provision of Article 26, paragraph 3 of the New Act shall not apply to the transfer of a share or equity of a corporation, which has been legally held before the date of enforcement of this Act, among the transfers listed in paragraph 2, item 2 of the said article.

Article 5 (1) With regard to transactions or acts approved pursuant to Article 3, paragraph 1 of the Cabinet Order on the Acquisition of Property by Foreign Nationals prior to its abolition by this Act (hereinafter referred to as the "Old Property Acquisition Order"), the provisions then in force shall remain applicable.

- (2) With regard to transactions pertaining to an application, which has actually been filed pursuant to the provision of Article 3, paragraph 1 of the Old Property Acquisition Order at the time of the enforcement of this Act, and confirmations and reports pertaining to the transaction, the provisions of Article 3, paragraph 1, Article 7 and Article 8 of the Old Property Acquisition Order (including penal provisions pertaining to these provisions) shall remain in force even after the enforcement of this Act.

Article 6 (1) The refund of outstanding balance of a foreign investor's deposit account opened pursuant to the provision of Article 9-2, paragraph 1 of the Old Foreign Capital Act and other necessary matters shall be specified by Cabinet Order.

- (2) Necessary matters concerning the conditions attached pursuant to the provision of Article 14, paragraph 1 of the Old Foreign Capital Act and the changes thereof shall be specified by Cabinet Order.

Article 7 With regard to objections or applications for examination filed in the case of dissatisfaction with a disposition pursuant to the provisions of the Old Act, the Old Foreign Capital Act or the Old Property Acquisition Order, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 8 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act pertaining to a transaction or act to which the provisions then in force shall remain applicable pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

**Supplementary Provisions [Act No. 78 of December 2, 1983]**

- (1) This Act (excluding Article 1) shall come into force as from July 1, 1984.
- (2) Transitional measures necessary for an organ, etc. established pursuant to the provisions of an act as of the day before the date of enforcement of this Act, which will be established pursuant to the provisions of the National Government Organization Act or Cabinet Order pursuant to the provisions of a relevant act revised by this Act (hereinafter referred to as the "Relevant Cabinet Order") on and after the date of enforcement of this Act, or other transitional measures necessary for the enactment, or revision or abolition of the Relevant Cabinet Order with the enforcement of this Act may be specified by Cabinet Order.

**Supplementary Provisions [Act No. 44 of May 25, 1984 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the day of promulgation; provided, however, that the provisions of Articles 4 and 5 shall come into force as from the date specified by Cabinet Order within a period not exceeding three months from the same day.

(Transitional Measures Accompanying Partial Revision of the Foreign Exchange and Foreign Trade Control Act)

Article 3 With regard to the acquisition of a share, etc. pertaining to a notification, which has actually been given pursuant to the provision of Article 3, paragraph 1 of the Supplementary Provisions of the Foreign Exchange and Foreign Trade Control Act prior to the revision by Article 5 at the time of the enforcement of Article 5, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 4 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act pertaining to an act to which the provisions then in force shall remain applicable pursuant to the provision of the preceding two articles, the provisions then in force shall remain applicable.

**Supplementary Provisions [Act No. 102 of December 24, 1985 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the day of promulgation.

(Transitional Measures Accompanying Partial Revision of the Foreign Exchange and Foreign Trade Control Act)

Article 2 Any person who has actually obtained or applied for a permission to change the name or location of a business office wherein he/she operates foreign exchange business or money exchange business pursuant to the provision of Article 10, paragraph 3 of the Foreign Exchange and Foreign Trade Control Act prior to the revision by Article 5 (including the cases where it is applied mutatis mutandis pursuant to Article 14, paragraph 2 of the said act) at the time of the enforcement of the said article shall be deemed to have given a notification pursuant to the provision of Article 10, paragraph 4 of the Foreign Exchange and Foreign Trade Control Act revised by Article 5 (including the cases where it is applied mutatis mutandis pursuant to Article 14, paragraph 2 of the said act).

(Transitional Measures concerning Penal Provisions)

Article 8 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the Supplementary Provisions, the respective provisions) and acts committed after the enforcement of Article 11 in the cases where the provisions then in force shall remain applicable pursuant to the provision of Article 4 of the Supplementary Provisions, the provisions then in force shall remain applicable.

#### **Supplementary Provisions [Act No. 70 of May 27, 1986]**

This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding nine months from the day of promulgation.

#### **Supplementary Provisions [Act No. 89 of September 11, 1987 Extract] [Extract]**

(Effective Date)

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

(Transitional Measures)

Article 2 With regard to transactions permitted pursuant to the provision of Article 25 of the Foreign Exchange and Foreign Trade Control Act prior to the revision by this Act (hereinafter referred to as the "Old Act"), which require

permission pursuant to the provision of Article 25, paragraph 1 of the Foreign Exchange and Foreign Trade Control Act revised by this Act (hereinafter referred to as the "New Act"), the provisions of an order pursuant to paragraph 2 of the said article, or the provision of paragraph 3 of the said article, it shall be deemed that permission pursuant to the provision of paragraph 1 of the said article, the provisions of an order pursuant to paragraph 2 of the said article, or the provision of paragraph 3 of the said article has been obtained, respectively.

Article 3 With regard to the export of goods approved pursuant to the provisions of an order pursuant to Article 48, paragraph 1 of the Old Act, which requires permission pursuant to the provision of Article 48, paragraph 1 of the New Act or the provisions of an order pursuant to paragraph 2 of the said article or an approval pursuant to the provisions of an order pursuant to paragraph 3 of the said article, it shall be deemed that permission pursuant to the provision of paragraph 1 of the said article or the provisions of an order pursuant to paragraph 2 of the said article or approval pursuant to the provisions of an order pursuant to paragraph 3 of the said article has been obtained, respectively.

Article 4 An application for permission pursuant to the provision of Article 25 of the Old Act which has actually been filed at the time of the enforcement of this Act, which is pertaining to a transaction that requires permission pursuant to the provision of Article 25, paragraph 1 of the New Act, the provisions of an order pursuant to paragraph 2 of the said article, or the provision of paragraph 3 of the said article, shall be deemed to be an application for permission pursuant to the provision of paragraph 1 of the said article, the provisions of an order pursuant to paragraph 2 of the said article, or the provision of paragraph 3 of the said article, respectively.

Article 5 An application for approval pursuant to the provisions of an order pursuant to Article 48, paragraph 1 of the Old Act which has actually been filed at the time of the enforcement of this Act, which is pertaining to the export of goods that requires permission pursuant to the provision of Article 48, paragraph 1 of the New Act or the provisions of an order pursuant to paragraph 2 of the said article or approval pursuant to the provisions of an order pursuant to paragraph 3 of the said article, shall be deemed to be an application for permission pursuant to the provision of paragraph 1 of the said article or the provisions of an order pursuant to paragraph 2 of the said article or an application for approval pursuant to the provisions of an order pursuant to paragraph 3 of the said article, respectively.

Article 6 An import or export ban imposed by the Minister of International Trade and Industry pursuant to the provision of Article 53 of the Old Act prior to the enforcement of this Act shall be deemed to be a disposition imposed by the Minister of International Trade and Industry pursuant to the provision of Article 53, paragraph 2 of the New Act.

Article 7 With regard to import or export bans against a person who has violated the Old Act, any order based on the Old Act, or any disposition based thereon in regard to the import or export of goods prior to the enforcement of this Act, the provisions then in force shall remain applicable.

Article 8 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act in the cases where the provisions then in force shall remain applicable pursuant to the provision of the preceding article, the provisions then in force shall remain applicable.

Article 9 In addition to what is prescribed in Articles 2 to 8 inclusive of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 75 of May 31, 1988 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding six months from the day of promulgation.

(Transitional Measures concerning Penal Provisions)

Article 42 With regard to the application of penal provisions to acts committed prior to the date of enforcement and acts committed after the date of enforcement pertaining to matters to which the provisions then in force shall remain applicable pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 43 In addition to what is provided for in the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 77 of May 31, 1988 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding one year from the day of promulgation.

**Supplementary Provisions [Act No. 40 of April 26, 1991 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding nine months from the day of promulgation.

(Transitional Measures)

Article 2 (1) Except what is prescribed in paragraph 3 of the next article, with regard to inward direct investment, etc. pertaining to a notification given prior to the enforcement of this Act (hereinafter referred to as the "Date of Enforcement) pursuant to the provision of Article 26, paragraph 3 of the Foreign Exchange and Foreign Trade Control Act prior to the revision by this Act (hereinafter referred to as the "Old Act") (hereinafter referred to as the "Inward Direct Investment, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act") for which the period in which the inward direct investment, etc. shall not be made prescribed in paragraph 4 of the said article (in cases where the period has been extended pursuant to the provision of Article 27, paragraph 1 or 3 of the Old Act, the extended period) has expired prior to the Date of Enforcement, the provisions then in force shall remain applicable.

(2) Except what is prescribed in Article 4, paragraph 4 of the Supplementary Provisions, with regard to the Conclusion of a Technology Introduction Contract pertaining to a notification given prior to the Date of Enforcement pursuant to the provision of Article 29, paragraph 1 of the Old Act (hereinafter referred to as the "Conclusion of a Technology Introduction Contract, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act) for which the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted prescribed in paragraph 3 of the said article (in cases where the period has been extended pursuant to the provision of Article 30, paragraph 1 or 3 of the Old Act, the extended period) has expired prior to the Date of Enforcement, the provisions then in force shall remain applicable.

Article 3 (1) With regard to the Inward Direct Investment, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act, for which the period in which the inward direct investment, etc. shall not be made prescribed in

Article 26, paragraph 4 of the Old Act has not actually expired at the time of the enforcement of this Act and which falls under the inward direct investment, etc. that shall be reported pursuant to the provision of Article 26, paragraph 3 of the Foreign Exchange and Foreign Trade Control Act revised by this Act (hereinafter referred to as the "New Act"), a foreign investor who has given the notification may make the inward direct investment, etc. on and after the Date of Enforcement, deeming that the said period has expired on the previous day of the Date of Enforcement. In this case, the notification shall be deemed to be a report made pursuant to the provision of the main clause of the said paragraph on the day when the inward direct investment, etc. was made.

(2) Except what is prescribed in the next paragraph, with regard to the Inward Direct Investment, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act, for which the period in which the inward direct investment, etc. prescribed in Article 26, paragraph 4 of the Old Act has not actually expired at the time of enforcement of this Act and which falls under the inward direct investment, etc. that shall be notified pursuant to the provision of Article 27, paragraph 1 of the New Act, the provisions of the New Act shall apply deeming that a notification pursuant to the provision of the said paragraph has been given as of the date of the notification. With regard to the Inward Direct Investment, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act, for which the period in which the inward direct investment, etc. shall not be made has been extended pursuant to the provision of Article 27, paragraph 1 or 3 of the Old Act and for which the period has not actually expired at the time of enforcement of this Act, the provisions of the New Act shall apply deeming that a notification pursuant to the provision of Article 27, paragraph 1 of the New Act has been given as of the date of the notification and that the period for which the inward direct investment, etc. shall not be made has been extended pursuant to the provision of paragraph 3 or 6 of the said article.

(3) With regard to inward direct investment, etc. pertaining to a recommendation pursuant to the provision of Article 27, paragraph 2 of the Old Act, a notice pursuant to the provision of paragraph 4 of the said article or an order pursuant to the provision of paragraph 7 of the said article, which has been given prior to the Date of Enforcement, the provisions then in force shall remain applicable.

Article 4 (1) With regard to the Conclusion of a Technology Introduction Contract, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act (limited to those which have been notified by a resident; the same shall apply in the next paragraph) for which the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted prescribed in

Article 29, paragraph 3 of the Old Act has not actually expired at the time of the enforcement of this Act, which falls under the Conclusion of a Technology Introduction Contract, etc. that shall be reported pursuant to the provision of Article 29 of the New Act, a resident who has given the notification may conduct the Conclusion of a Technology Introduction Contract, etc. on and after the Date of Enforcement, deeming that the period has expired on the previous day of the Date of Enforcement. In this case, a notification pertaining to the resident shall be deemed to be a report made pursuant to the provision of the main clause of the said article on the date of the Conclusion of a Technology Introduction Contract, etc.

(2) Except what is prescribed in paragraph 4, with regard to the Conclusion of a Technology Introduction Contract Pertaining to a Notification Pursuant to the Provisions of the Old Act for which the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted prescribed in Article 29, paragraph 3 of the Old Act has not expired at the time of the enforcement of this Act, which falls under the Conclusion of a Technology Introduction Contract, etc. that shall be notified pursuant to the provision of Article 30, paragraph 1 of the New Act, the provisions of the New Act shall apply, deeming that a notification pursuant to the provision of the said paragraph has been given on the date of the notification. With regard to the Conclusion of a Technology Introduction Contract, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act for which the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted has been extended pursuant to the provision of Article 30, paragraph 1 or 3 of the Old Act, for which the period has not expired at the time of enforcement of this Act, the provisions of the New Act shall apply, deeming that a notification has been given pursuant to the provision of Article 30, paragraph 1 of the New Act on the date of the notification and that the period in which the Conclusion of a Technology Introduction Contract shall not be conducted has been extended pursuant to the provision of paragraph 3 or 6 of the said article.

(3) In addition to what is prescribed in the next paragraph, with regard to the Conclusion of a Technology Introduction Contract, etc. Pertaining to a Notification Pursuant to the Provisions of the Old Act, for which the period in which the Conclusion of a Technology Introduction Contract, etc. shall not be conducted prescribed in Article 29, paragraph 3 of the Old Act has not expired (in cases where the period was extended pursuant to the provision of Article 30, paragraph 1 or 3 of the Old Act, the extended period) at the time of the enforcement of this Act, a non-resident who has given the notification may conduct the Conclusion of a Technology Introduction Contract, etc. on and after the Date of Enforcement, deeming that the period has expired on the previous

day of the Date of Enforcement.

- (4) With regard to the Conclusion of a Technology Introduction Contract, etc. pertaining to a recommendation pursuant to the provision of Article 30, paragraph 2 of the Old Act, a notice pursuant to the provision of Article 27, paragraph 4 of the Old Act, as applied mutatis mutandis pursuant to Article 30, paragraph 4, or an order pursuant to the provision of Article 27, paragraph 7 of the Old Act, as applied mutatis mutandis pursuant to Article 30, paragraph 4 of the Old Act, which has been given prior to the Date of Enforcement, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 5 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act pertaining to a transaction or act to which the provisions then in force shall remain applicable pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

#### **Supplementary Provisions [Act No. 79 of May 21, 1991 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the day of promulgation; provided, however, that the provisions listed in the following items shall come into force as from the day prescribed respectively in those items.

- (v) Provisions of Articles 6 to 21 inclusive, Article 25 and Article 34, and Articles 8 to 13 inclusive of the Supplementary Provisions: Date specified by Cabinet Order within a period not exceeding one year from the day of promulgation

(Transitional Measures pertaining to Other Dispositions, Applications, etc.)

Article 6 With regard to the application of respective revised acts after the date of enforcement of this Act, permissions given and other dispositions imposed or other acts committed pursuant to the provisions of respective acts prior to the revision before the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the Supplementary Provisions, the respective provisions; hereinafter the same shall apply in this and the next article) (hereinafter referred to as the "Dispositions and Other Acts" in this article), or applications for permission, etc. filed or other acts committed pursuant to the provisions of respective acts prior to the revision at the time of the enforcement of this Act (hereinafter referred to as the "Applications and Other Acts" in this article), for which the administrative matters are to be conducted by a different person on the date of enforcement of this Act, shall be deemed to be the

Dispositions and Other Acts or the Applications and Other Acts committed pursuant to the corresponding provisions of the respective revised acts, except those prescribed in the provisions of Articles 2 to 5 inclusive of the Supplementary Provisions and in the provisions concerning transitional measures in the respective revised acts (including orders based thereon).

(Transitional Measures concerning Penal Provisions)

Article 7 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of Article 4 in the cases where the provisions then in force shall remain applicable pursuant to the provision of Article 2, paragraph 1 of the Supplementary Provisions, the provisions then in force shall remain applicable.

**Supplementary Provisions [Act No. 89 of November 12, 1993 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date of enforcement of the Administrative Procedure Act (Act No. 88 of 1993).

(Transitional Measures related to Adverse Dispositions on which a Consultation, etc. Was Filed)

Article 2 Where a consultation or other request was filed with a council or other organization adopting a council system to the effect that procedures of hearing or grant of opportunity for explanation prescribed in Article 13 of the Administrative Procedure Act, or other procedures equivalent to the procedures of statement of opinions shall be taken, with regard to the procedures for adverse dispositions pertaining to the consultation or request, the provisions then in force shall remain applicable, notwithstanding the provisions of relevant acts revised by this Act.

(Transitional Measures concerning Penal Provisions)

Article 13 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Transitional Measures Accompanying the Arrangement of Provisions on Hearings)

Article 14 Hearings or hearing meetings held pursuant to the provisions of an act prior to the enforcement of this Act (excluding those pertaining to adverse dispositions) or procedures thereof shall be deemed to have been conducted

pursuant to the corresponding provisions of the relevant act revised by this Act.

(Delegation to Cabinet Order)

Article 15 In addition to what is prescribed in Articles 2 to 14 inclusive of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 59 of May 23, 1997 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from April 1, 1998.

(Transitional Measures)

Article 2 (1) Where a payment or receipt of a payment (hereinafter referred to as the "Payment, etc." in this article) permitted pursuant to the provisions of an order pursuant to Article 16, paragraph 1 or 2 of the Foreign Exchange and Foreign Trade Control Act prior to the revision by this Act (hereinafter referred to as the "Old Act") falls under the Payment, etc. for which the obligation to obtain permission is imposed pursuant to the provisions of an order pursuant to Article 16, paragraphs 1 to 3 inclusive of the Foreign Exchange and Foreign Trade Act revised by this Act (hereinafter referred to as the "New Act"), the Payment, etc. shall be deemed to have been permitted pursuant to the corresponding provisions of such an order, except what is specified by Cabinet Order.

(2) Where the Payment, etc. pertaining to an application for permission pursuant to the provisions of an order pursuant to Article 16, paragraph 1 or 2 of the Old Act, which has actually been filed at the time of enforcement of this Act falls under the Payment, etc. for which the obligation to obtain permission is imposed pursuant to the provisions of an order pursuant to Article 16, paragraphs 1 to 3 inclusive of the New Act, the provisions of the New Act shall apply, deeming the application to be an application for permission filed pursuant to the corresponding provisions of such an order.

Article 3 (1) Where capital transactions permitted pursuant to the provision of Article 21, paragraph 1 of the Old Act, the provisions of an order pursuant to paragraph 2 of the said article or Article 24, paragraph 1 of the Old Act or the provision of Article 25, paragraph 3 of the Old Act (meaning capital transactions prescribed in Article 20 of the Old Act; the same shall apply hereinafter), or transactions prescribed in the said paragraph fall under transactions for which the obligation to obtain permission is imposed pursuant to the provisions of an order pursuant to Article 21, paragraph 1 or 2, Article

24, paragraph 1 or 2, or Article 25, paragraph 4 of the New Act, the capital transactions or the transactions shall be deemed to have been permitted pursuant to the corresponding provisions of such an order, except those specified by Cabinet Order.

- (2) Where capital transactions pertaining to an application for permission pursuant to the provision of Article 21, paragraph 1 of the Old Act, the provisions of an order pursuant to paragraph 2 of the said article or Article 24, paragraph 1 of the Old Act, or the provision of Article 25, paragraph 3 of the Old Act, or transactions prescribed in the said paragraph fall under those for which the obligation to obtain permission is imposed pursuant to the provisions of an order pursuant to Article 21, paragraph 1 or 2, Article 24, paragraph 1 or 2, or Article 25, paragraph 4 of the New Act, the provisions of the New Act shall apply deeming the application to be an application for permission filed pursuant to the corresponding provisions of such an order.

Article 4 (1) When capital transactions pertaining to a notification given pursuant to the provision of Article 22, paragraph 1 of the Old Act prior to the date of enforcement of this Act (hereinafter referred to as the "Date of Enforcement"), which has not actually been conducted at the time of enforcement of this Act (limited to capital transactions to which the provision of Article 23, paragraph 1 of the Old Act is applicable; hereinafter referred to as the "Capital Transactions Subject to Examination in Advance under the Old Act" in this and the next article), fall under outward direct investment that shall be notified pursuant to the provisions of an order pursuant to Article 23, paragraph 1 of the New Act (referred to as the "Outward Direct Investment Subject to Examination in Advance under the New Act" in the next paragraph) and also fall under those for which the period in which capital transactions shall not be conducted pursuant to the provision of Article 23, paragraph 1 of the Old Act has expired prior to the Date of Enforcement, those on which a notice of acceptance of a recommendation prescribed in Article 23, paragraph 5 of the Old Act (limited to those pertaining to a content change prescribed in paragraph 2 of the said article) has been given, or those for which a content change has been ordered pursuant to the provision of paragraph 7 of the said article (referred to as the "Capital Transactions for Which Notification Procedure Has Been Completed" in the next paragraph and the next article), the Capital Transactions Subject to Examination in Advance under the Old Act shall be deemed to be those for which the period in which outward direct investment shall not be made pursuant to the provision of Article 23, paragraph 3 of the New Act has expired, those on which a notice of acceptance of a recommendation prescribed in paragraph 7 of the said article (limited to those pertaining to a content change prescribed in paragraph 4 of the said

article) has been given, or those for which a content change has been ordered pursuant to the provision of paragraph 9 of the said article, respectively.

- (2) When the Capital Transactions Subject to Examination in Advance under the Old Act fall under the Outward Direct Investment Subject to Examination in Advance under the New Act but do not fall under the Capital Transactions for Which Notification Procedure Has Been Completed, the provisions of the New Act shall apply, deeming that a notification pertaining to the Capital Transactions Subject to Examination in Advance under the Old Act has been given pursuant to the provision of Article 23, paragraph 1 of the New Act on the date of the notification. In this case, a recommendation pursuant to the provision of Article 23, paragraph 2 of the Old Act or a notice pursuant to the provision of paragraph 4 of the said act (excluding notices of acceptance of a recommendation prescribed in paragraph 5 of the said article) in regard to the Capital Transactions Subject to Examination in Advance under the Old Act shall be deemed to be a recommendation pursuant to the provision of Article 23, paragraph 4 of the New Act or a notice pursuant to the provision of paragraph 6 of the said article, respectively.

Article 5 (1) When the Capital Transactions Subject to Examination in Advance under the Old Act fall under capital transactions for which the obligation to obtain permission is imposed pursuant to the provisions of an order pursuant to Article 21, paragraph 1 or 2 of the New Act (referred to as the "Capital Transactions Subject to Permission under the New Act" in the next paragraph) and also fall under the Capital Transactions for Which Notification Procedure Has Been Completed, the Capital Transactions Subject to Examination in Advance under the Old Act (with regard to those for which a notice of acceptance of a content change prescribed in Article 23, paragraph 5 of the Old Act has been given or those for which a content change has been ordered pursuant to the provision of paragraph 7 of the said article, those after such a change has been made) shall be deemed to have been permitted pursuant to the provisions of an order pursuant to Article 21, paragraph 1 or 2 of the New Act, except those specified by Cabinet Order.

- (2) When the Capital Transactions Subject to Examination in Advance under the Old Act fall under the Capital Transactions Subject to Permission under the New Act but do not fall under the Capital Transactions for Which Notification Procedure Has Been Completed, the provisions of the New Act shall apply, deeming a notification given pursuant to the provision of Article 22, paragraph 1 of the Old Act pertaining to the Capital Transactions Subject to Examination in Advance under the Old Act to be an application for permission pursuant to the provisions of an order pursuant to Article 21, paragraph 1 or 2 of the New Act. In this case, a recommendation pursuant to the provision of Article 23,

paragraph 2 of the Old Act or a notice pursuant to the provision of paragraph 4 of the said article (excluding notices of acceptance of a recommendation prescribed in paragraph 5 of the said article) in regard to the Capital Transactions Subject to Examination in Advance under the Old Act shall be deemed to have not existed.

- (3) The provisions of the preceding two paragraphs shall apply mutatis mutandis to the cases where capital transactions pertaining to a notification given pursuant to the provision of Article 24, paragraph 2 of the Old Act prior to the Date of Enforcement, which have not actually been conducted at the time of enforcement of this Act, fall under specified capital transactions prescribed in Article 24, paragraph 1 of the New Act for which the obligation to obtain permission is imposed pursuant to the provisions of an order pursuant to paragraph 1 or 2 of the said article.

Article 6 The Special International Financial Transactions Account established pursuant to the provision of Article 22, paragraph 2 of the Old Act shall be deemed to be the Special International Financial Transactions Account prescribed in Article 21, paragraph 3 of the New Act.

Article 7 (1) With regard to reports pursuant to the provision of Article 15 of the Old Act pertaining to business to which the Old Act is applicable, which has been conducted by certified foreign exchange banks or money exchangers prescribed in Article 15 of the Old Act prior to the Date of Enforcement, the provisions then in force shall remain applicable.

- (2) With regard to reports on the matters that shall be reported pursuant to the provision of Article 26, paragraph 3 or Article 29 of the Old Act or the provisions of an order pursuant to Article 67 of the Old Act, the provisions then in force shall remain applicable.

(Transitional Measures concerning Penal Provisions)

Article 8 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act pertaining to the matters to which the provisions then in force shall remain applicable pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 9 In addition to what is prescribed in Articles 2 to 8 inclusive of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 89 of June 18, 1997 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from April 1, 1998.

**Supplementary Provisions [Act No. 107 of June 15, 1998 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from December 1, 1998; provided, however, that the provisions listed in the following items shall come into force as from the date prescribed respectively in those items.

- (i) Provision of Article 1 adding one chapter after Chapter 4 of the Securities and Exchange Act (limited to the part pertaining to Article 79-29, paragraph 1) and revising Article 189, paragraphs 2 and 4 of the said act, provision of Article 21, provision of Article 22 revising Part II, Chapter 10, Section 2, Subsection 1 of the Insurance Business Act (limited to the part pertaining to Article 265-6), provision of Article 23 and provision of Article 25, and provisions of Articles 40, 42, 58, 136, 140, 143, 147, 149, 158, 164 and 187 (excluding the provision revising Article 4, item 79 of the Act for Establishment of the Ministry of Finance (Act No. 144 of 1949)) and Articles 188 to 190 inclusive of the Supplementary Provisions: July 1, 1998

(Effect of Dispositions, etc.)

Article 188 Dispositions imposed, procedures taken or other acts committed pursuant to the provisions of respective acts prior to the revision (including orders based thereon; hereinafter the same shall apply in this article) before the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the Supplementary Provisions, those provisions), for which the corresponding provisions exist in the provisions of the respective acts revised, shall be deemed to have been imposed, taken or committed pursuant to the corresponding provisions of the respective acts revised, except as otherwise provided by the Supplementary Provisions.

(Transitional Measures concerning Application of Penal Provisions)

Article 189 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the Supplementary Provisions, those provisions) and acts committed after the enforcement of this Act in the cases where the provisions then in force shall remain applicable pursuant to the Supplementary Provisions or where those provisions shall remain in force pursuant to the

Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 190 In addition to what is prescribed in Articles 2 to 146 inclusive and Articles 153, 169 and 189 of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 191 (1) When the government finds it necessary, even after the enforcement of this Act, by taking into consideration the state of implementation of systems pertaining to special measures, etc. to protect policyholders, etc. pursuant to the provisions of the New Insurance Business Act, the state of soundness of management of insurance corporations, etc., it shall take measures necessary for maintaining the reliability of insurance business.

(2) In addition to what is prescribed in the preceding paragraph, the government shall review financial systems after the revision by this Act, within five years from the enforcement of this Act, by taking into account the state of implementation of provisions revised by this Act, changes in the socioeconomic conditions surrounding financial systems, etc., and shall, when it finds it necessary, take necessary measures based on the results of the review.

**Supplementary Provisions [Act No. 102 of July 16, 1999 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date of enforcement of the Act on the Partial Revision of the Cabinet Act; provided, however, that the provisions listed in the following items shall come into force as from the date prescribed respectively in those items.

(ii) Provisions of Article 10, paragraphs 1 and 5, Article 14, paragraph 3, Article 23, Article 28 and Article 30 of the Supplementary Provisions: Day of promulgation

(Succession of Status of an Official)

Article 3 Any person who is actually the official of the former Prime Minister's Office, Ministry of Justice, Ministry of Foreign Affairs, Ministry of Finance, Ministry of Education, Ministry of Health and Welfare, Ministry of Agriculture, Forestry and Fisheries, Ministry of International Trade and Industry, Ministry of Transport, Ministry of Posts and Telecommunications, Ministry of Labour,

Ministry of Construction or Ministry of Home Affairs (hereinafter referred to as the "Former Office/Ministry" in this Article) at the time of enforcement of this Act (excluding the president or chairperson and members of a council, etc. set forth in Article 8 of the National Administrative Organization Act (Act No. 120 of 1948), members of the Central Disaster Prevention Council, chairperson and members of the Japanese Industrial Standards Committee, and those specified by Cabinet Order as similar thereto) shall be the corresponding official of the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, or the Ministry of the Environment after the enforcement of this Act (hereinafter referred to as the "New Office/Ministry" in this article) or a department or organization thereunder, which is specified by Cabinet Order as the New Office/Ministry or a department or organization thereunder that corresponds to the Former Office/Ministry or a department or organization thereunder to which the official actually belongs at the time of enforcement of this Act, unless a letter of appointment is otherwise issued.

(Transitional Measures Separately Provided)

Article 30 In addition to what is prescribed in Articles 2 to 29 inclusive, transitional measures necessary for the enforcement of this Act shall be separately provided for by an act.

**Supplementary Provisions [Act No. 160 of December 22, 1999 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act (excluding Articles 2 and 3) shall come into force as from January 6, 2001.

**Supplementary Provisions [Act No. 96 of May 31, 2000 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from December 1, 2000 (hereinafter referred to as the "Date of Enforcement").

(Effect of Dispositions, etc.)

Article 49 Dispositions imposed, procedures taken or other acts committed

pursuant to the provisions of respective acts prior to the revision before the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the Supplementary Provisions, those provisions), for which the corresponding provisions exist in the provisions of the respective acts revised, shall be deemed to have been imposed, taken or committed pursuant to the corresponding provisions of the respective acts revised, except as otherwise provided by the Supplementary Provisions

(Transitional Measures concerning Application of Penal Provisions)

Article 50 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 51 In addition to what is prescribed in Articles 2 to 11 inclusive and Article 50 of the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 52 Where five years have passed since the enforcement of this Act, the government shall review systems pertaining to securities exchanges prescribed in Article 2, paragraph 16 of the New Securities and Exchange Act and financial futures exchanges prescribed in Article 2, paragraph 6 of the New Financial Futures Trading Act by taking into account the state of enforcement of the New Securities and Exchange Act and the New Financial Futures Trading Act, changes in socioeconomic situations, etc., and shall, when it finds it necessary, take necessary measures based on the results of the review.

**Supplementary Provisions [Act No. 129 of November 28, 2001 Extract]  
[Extract]**

(Effective Date)

(1) This Act shall come into force as from April 1, 2002.

(Transitional Measures concerning Application of Penal Provisions)

(2) With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act in the cases where the provisions then in force shall remain applicable pursuant to the provisions of this Act, the provisions then in force shall remain applicable.

**Supplementary Provisions [Act No. 34 of May 7, 2002]**

(Effective Date)

Article 1 This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding nine months from the day of promulgation; provided, however, that the provision revising Article 69-4 shall come into force as from the day of promulgation.

(Transitional Provisions concerning Penal Provisions)

Article 2 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 3 In addition to what is prescribed in the preceding article, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 65 of June 12, 2002 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from January 6, 2003.

(Transitional Measures concerning Application of Penal Provisions)

Article 84 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act (with regard to the provisions listed in the items of Article 1 of the Supplementary Provisions, those provisions; hereinafter the same shall apply in this article) and acts committed after the enforcement of this Act in the cases where the provisions then in force shall remain applicable pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 85 In addition to what is prescribed in the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 86 Where five years have passed since the enforcement of this Act, the government shall review systems pertaining to protective trusts prescribed in Article 2, paragraph 11 of the New Act on the Transfer of Corporate Bonds, etc.,

clearing agencies for securities transactions prescribed in Article 2, paragraph 31 of the New Securities and Exchange Act, and clearing agencies for financial futures prescribed in Article 2, paragraph 15 of the New Financial Futures Trading Act, by taking into account the state of enforcement of the New Act on the Transfer of Corporate Bonds, etc., the New Securities and Exchange Act and the New Financial Futures Trading Act, changes in socioeconomic situations, etc., and shall, when it finds it necessary, take necessary measures based on the results of the review.

**Supplementary Provisions [Act No. 98 of July 31, 2002 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date of enforcement of the Public Corporation Act; provided, however, that the provisions listed in the following items shall come into force as from the date prescribed respectively in those items.

(i) Provisions of Chapter 1, Section 1 (including appended tables 1 to 4 inclusive), and Article 28, paragraph 2, Article 33, paragraphs 2 and 3 and Article 39 of the Supplementary Provisions: Day of promulgation

(Transitional Measures concerning Penal Provisions)

Article 38 With regard to the application of penal provisions to acts committed prior to the date of enforcement and acts committed after the date of enforcement in the cases where the provisions then in force shall remain applicable pursuant to the provisions of this Act or where those provisions shall remain in force pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 39 In addition to what is provided for in this Act, transitional measures necessary for the enforcement of the Public Corporation Act and this Act (including transitional measures concerning penal provisions) shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 152 of December 13, 2002 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date of enforcement of the Act on the Utilization of Information and Communications Technology in Administrative Procedure, etc. (Act No. 151 of 2002).

(Transitional Measures concerning Penal Provisions)

Article 4 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 5 In addition to what is prescribed in the preceding three articles, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

**Supplementary Provisions [Act No. 54 of May 30, 2003 Extract] [Extract]**

(Effective Date)

Article 1 This Act shall come into force as from April 1, 2004.

(Transitional Measures concerning Application of Penal Provisions)

Article 38 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 39 In addition to what is provided for in this Act, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 40 Where five years have passed since the enforcement of this Act, the government shall review financial systems after the revision by this Act by taking into account the state of implementation of provisions revised by this Act, changes in socioeconomic situations, etc., and shall, when it finds it necessary, take necessary measures based on the results of the review.

**Supplementary Provisions [Act No. 1 of February 16, 2004]**

This Act shall come into force as from the day on which ten days from the day of promulgation have elapsed.

**Supplementary Provisions [Act No. 154 of December 3, 2004 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date specified by Cabinet Order within a period not exceeding six months from the day of promulgation (hereinafter referred to as the "Date of Enforcement").

(Effect of Dispositions, etc.)

Article 121 Dispositions imposed, procedures taken or other acts committed pursuant to the provisions of respective acts (including orders based thereon; hereinafter the same shall apply in this article) prior to the enforcement of this Act, for which corresponding provisions exist in the provisions of the respective acts revised, shall be deemed to be imposed, taken or committed pursuant to the corresponding provisions of the respective acts revised, except as otherwise provided by the Supplementary Provisions.

(Transitional Measures concerning Penal Provisions)

Article 122 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act and acts committed after the enforcement of this Act in the cases where the provisions then in force shall remain applicable pursuant to the Supplementary Provisions or where those provisions shall remain in force pursuant to the Supplementary Provisions, the provisions then in force shall remain applicable.

(Delegation of Other Transitional Measures to Cabinet Order)

Article 123 In addition to what is provided for in the Supplementary Provisions, transitional measures necessary for the enforcement of this Act shall be specified by Cabinet Order.

(Review)

Article 124 The government shall review the state of enforcement of this Act within three years from the enforcement of this Act, and shall, when it finds it necessary, take necessary measures based on the results of the review.

**Supplementary Provisions [Act No. 159 of December 8, 2004 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from July 1, 2005.

**Supplementary Provisions [Act No. 87 of July 26, 2005 Extract] [Extract]**

This Act shall come into force as from the date of enforcement of the Companies Act.

**Supplementary Provisions [Act No. 102 of October 21, 2005 Extract]  
[Extract]**

(Effective Date)

Article 1 This Act shall come into force as from the date of enforcement of the Postal Service Privatization Act.

(Transitional Measures Accompanying Partial Revision of the Foreign Exchange and Foreign Trade Act)

Article 76 (1) Dispositions imposed, procedures taken or other acts committed (excluding those prescribed in the next paragraph) to an old public corporation or by an old public corporation pursuant to the provisions of the Foreign Exchange and Foreign Trade Act prior to the revision by the provision of Article 31 (referred to as the "Old Act" in the said paragraph) prior to the enforcement of this Act shall be deemed to be dispositions imposed, procedures taken or other acts committed to a postal savings bank or by a postal savings bank pursuant to the corresponding provisions of the Foreign Exchange and Foreign Trade Act revised by the provision of the said article (referred to as the "New Act" in the said paragraph), except as otherwise provided by the Maintenance Act, etc.

(2) Dispositions imposed, procedures taken or other acts committed to an old public corporation or by an old public corporation in regard to postal life insurance funds prescribed in Article 24, paragraph 3, item 5 of the Old Public Corporation Act pursuant to the provisions of the Old Act prior to the enforcement of this Act shall be deemed to be dispositions imposed, procedures taken or other acts committed to a postal insurance corporation or by a postal insurance corporation pursuant to the corresponding provisions of the New Act, except as otherwise provided by the Maintenance Act, etc.

(Transitional Measures concerning Penal Provisions)

Article 117 With regard to the application of penal provisions to acts committed prior to the enforcement of this Act, acts committed after the enforcement of this Act in the cases where the provisions then in force shall remain applicable pursuant to the Supplementary Provisions, acts committed prior to the lapse of the provision of Article 38-8 of the Old Postal Money Order Act (limited to the part pertaining to items 2 and 3) which shall remain in force pursuant to the provision of Article 9, paragraph 1 of the Supplementary Provisions even after the enforcement of this Act, acts committed prior to the lapse of the provision of Article 70 of the Old Postal Money Order Act (limited to the part pertaining to items 2 and 3) which shall remain in force pursuant to the provision of

Article 13, paragraph 1 of the Supplementary Provisions even after the enforcement of this Act, acts committed prior to the lapse of the provision of Article 8 of the Old Act on the Entrustment of Postal Transfer Deposit and Contribution (limited to the part pertaining to item 2) which shall remain in force pursuant to the provision of Article 27, paragraph 1 of the Supplementary Provisions even after the enforcement of this Act, acts committed prior to the lapse of the provision of Article 70 of the Old Public Corporation Act (limited to the part pertaining to item 2) which shall remain in force pursuant to the provision of Article 39, paragraph 2 of the Supplementary Provisions even after the enforcement of this Act, acts committed prior to the lapse of the provisions of Articles 71 and 72 of the Old Public Corporation Act (limited to the part pertaining to item 15) which shall remain in force pursuant to the provision of Article 42, paragraph 1 of the Supplementary Provisions even after the enforcement of this Act, and acts committed prior to the specified date pertaining to the postal savings bank prescribed in Article 104 of the Postal Service Privatization Act in the cases where the provision of Article 2, paragraph 2 of the Supplementary Provisions is applicable, the provisions then in force shall remain applicable.