

Japan

Foreign Exchange and Foreign Trade Act (1960)

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Contents

- Table of Contents
- Chapter IV. Capital Transactions, etc.
- Chapter V. Inward Direct Investment, etc.
- Chapter VI-2 Reports, etc.

Foreign Exchange and Foreign Trade Act

(Act No. 228 of December 1, 1949)

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Table of Contents

Chapter I General Provisions (Articles 1 to 9)

Chapter II Measures to Maintain Peace and Security in Japan (Articles 10 to 15)

Chapter III Payment, etc. (Articles 16 to 19)

Chapter IV Capital Transactions, etc. (Articles 20 to 25-2)

Chapter V Inward Direct Investment, etc. (Articles 26 to 46)

Chapter VI Foreign Trade (Articles 47 to 54)

Chapter VI-2 Reports, etc. (Articles 55 to 55-9)

Chapter VI-3 Compliance Requirements for Exporters (Articles 55-10 to 55-12)

Chapter VII Relationship with the Administrative Procedure Act (Article 55-13)

Chapter VII-2 Request for Review (Articles 56 to 64)

Chapter VIII Miscellaneous Provisions (Articles 65 to 69-5)

Chapter IX Penal Provisions (Article 69-6 to 73)

[...]

Chapter IV. Capital Transactions, etc.

[...]

Article 21 (Capital Transactions, etc. for which Permission from the Minister of Finance must be Obtained)

(1) When the Minister of Finance finds that a resident or non-resident engaging in capital transactions (excluding those falling under the category of specified capital transactions prescribed in Article 24, paragraph (1)) without any restrictions will prevent Japan from sincerely fulfilling its obligations under treaties and other international agreements it has signed or from making its contribution to international efforts to achieve international peace, will make it difficult to achieve the purposes of this Act, or, when a cabinet decision set forth in Article 10, paragraph (1) has been made, he/she may impose the obligation to obtain permission to engage in said capital transactions on the resident or non-resident, pursuant to the provisions of Cabinet Order.

(2) In addition to the cases prescribed in the preceding paragraph, when the Minister of Finance finds that if capital transactions prescribed in said paragraph (excluding those whose accounting is settled in the special international financial transactions account) by a resident or a non-resident are carried out 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 carry out 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.

(Section (3) to (6) not included)

[...]

Chapter V. Inward Direct Investment, etc.

Article 26 (Definitions)

(1) The term "foreign investor" means any one of the following persons who makes inward direct investment, etc. listed in the items of the following paragraph or specified acquisition prescribed in paragraph (3).

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 (i) or (ii) (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 provisions of Article 879, paragraph (3) of the Companies Act (Act No. 86 of 2005); hereinafter the same shall apply in this item and item (iv) of the following 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 (i) occupy the majority of either the officers (meaning directors or other persons equivalent thereto; hereinafter the same applies in this item) or the officers having the power of representation

2) The term "inward direct investment, etc." means 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 financial instruments exchange as defined in Article 2, paragraph (16) of the Financial Instruments and Exchange Act or shares specified by Cabinet Order as those equivalent thereto (referred to as "listed corporations, etc." in items (ii) and (iii) and the following paragraph))

- 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 carries out 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 (ii) to (iv) 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 carried out 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 with 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 carried out by those listed in item (i) or (ii) 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 (iii) or (iv) 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

3) The term "specified acquisition" means acquisition of shares or equity of a corporation other than a listed corporation, etc. through the transfer from persons set forth in the items of paragraph (1).

Article 27 (Notification of Inward Direct Investment, etc. and Recommendation of a Change, etc.)

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 competent minister for the business of the business purpose, amount, time of making the investment, etc. and other matters specified by Cabinet Order with regard to the inward direct investment, etc.

2) A foreign investor who has given notification pursuant to the provisions of the preceding paragraph with 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 competent minister for the business; provided, however, that when the Minister of Finance and the competent minister for 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 provisions of the following paragraph, he/she may shorten the period.

3) Where the Minister of Finance and the competent minister for the business have received notification pursuant to the provisions of paragraph (1), when he/she finds it necessary to examine whether 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. by a foreign investor from 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. with regard to removal of restrictions on inward direct investment, etc., and inward direct investment, etc. by a foreign investor from a state other than the member states of the treaty, etc., which would be free from 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. The smooth management of the Japanese economy is significantly adversely affected.

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 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 provisions of Article 21, paragraph (1) or (2)

4) Where the Minister of Finance and the competent minister for the business have extended the period in which inward direct investment, etc. is prohibited pursuant to the provisions of the preceding paragraph, when he/she finds, before the expiration of the extended period, through examination pursuant to the provisions of said paragraph that inward direct investment, etc. pertaining to a notification pursuant to the provisions 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 competent minister for the business have extended the period in which inward direct investment, etc. is prohibited pursuant to the provisions of paragraph (3), when he/she finds through examination pursuant to said provisions that inward direct investment, etc. pertaining to a notification pursuant to the provisions 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 provisions of paragraph (3) or (6), counting from the day of acceptance of the notification.

6) Where the Minister of Finance and the competent minister for the business hear the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions pursuant to the provisions 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 said paragraph shall be five months, notwithstanding the provisions of said paragraph.

7) Any person who has received a recommendation pursuant to the provisions of paragraph (5) shall notify the Minister of Finance and the competent minister for 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 provisions 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 provisions 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 provisions of said paragraph, five months) from the day of the notification pertaining to the inward direct investment, etc., notwithstanding the provisions of paragraph (3) or (6).

10) Where a person who has received a recommendation pursuant to the provisions of paragraph (5) has not given a notice pursuant to the provisions of paragraph (7) or has given a notice of refusal of the recommendation, the Minister of Finance and the competent minister for 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 provisions of paragraph (3) or (6), counting from the day of acceptance of the notification.

11) When the Minister of Finance and the competent minister for the business find that inward direct investment, etc. pertaining to a notification pursuant to the provisions 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 with 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 provisions of paragraph (7) or a person who has been ordered to change the content pertaining to inward direct investment, etc. pursuant to the provisions 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 and Article 29 apply, deeming the person who is not a foreign investor as a foreign investor.

Article 28 (Notification of Specified Acquisition and Recommendation of Change)

(1) When a foreign investor intends to make a specified acquisition (excluding those specified by Cabinet Order by taking into consideration circumstances such as inheritance, legacy, or merger of a corporation; hereinafter the same applies in this Article) which is specified by Cabinet Order as being likely to fall under the category of specified acquisition which requires examination under the provisions of paragraph (3), the foreign investor must notify in advance the Minister of Finance and the competent minister for the business of the matters specified by Cabinet Order including the business purpose, amount, and time of making the acquisition with regard to that specified acquisition, pursuant to the provisions of Cabinet Order.

(2) A foreign investor that has given notification under the provisions of the preceding paragraph with regard to a specified acquisition must not make the specified acquisition for which the notification has been given until the expiration of 30 days from the day of acceptance of the notification by the Minister of Finance and the competent minister for the business; provided, however, that if the Minister of Finance and the competent minister for the business find, before the expiration of the period, and based on the business purpose or other matters, that the specified acquisition for which the notification has been given does not fall under the category of specified acquisition that requires examination under the provisions of the following paragraph, they may shorten that period.

(3) If the Minister of Finance and the competent minister for the business receive the notification under the provisions of paragraph (1), and find it necessary to examine whether the specified acquisition for which the notification has been given falls under the category of specified acquisition which is highly likely to cause a situation that impairs national security (limited to a specified acquisition made by a foreign investor from a member state of an international agreement such as a multilateral treaty regarding specified acquisition which is specified by Cabinet Order and to which Japan has acceded (hereinafter referred to as "treaty, etc." in this paragraph), where the specified acquisition is free from the obligations under the treaty, etc. with regard to removal of restrictions on specified acquisition; and a specified acquisition made by a foreign investor from a state other than the member states of the treaty, etc., where the specified acquisition would be free from those obligations if the state was a member state of the treaty, etc.; referred to as a "specified acquisition concerning national security" in the following paragraph and paragraph (5), and paragraphs (1) and (2) of the following Article), they may extend the period in which the specified acquisition for which the notification has been given is prohibited, for up to four months from the day of acceptance of the notification.

(4) If the Minister of Finance and the competent minister for the business extend the period in which a specified acquisition is prohibited pursuant to the provisions of the preceding paragraph, and they find, before the expiration of the extended period and through the examination under the provisions of the same paragraph, that the specified acquisition for which the notification under the provisions of paragraph (1) has been given will not fall under the category of specified acquisition concerning national security, they may shorten the extended period.

(5) If the Minister of Finance and the competent minister for the business extend the period in which a specified acquisition is prohibited pursuant to the provisions of paragraph (3), and they find, through the examination under the provisions of the same paragraph, that the specified acquisition for which the notification under the provisions of paragraph (1) has been given falls under the category of specified acquisition concerning national security, they may recommend a person who has given the notification of the specified acquisition to change the content of or discontinue the specified acquisition, pursuant to the provisions of Cabinet Order, 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 lasts until the expiration date of the period extended pursuant to the provisions of paragraph (3) or the following paragraph, counting from the day of acceptance of the notification.

(6) When the Minister of Finance and the competent minister for the business hear the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions pursuant to the provisions of the preceding paragraph, if the Council on Customs, Tariff, Foreign Exchange and other Transactions notifies them that it is 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 a specified acquisition is prohibited as prescribed in the same paragraph is five months, notwithstanding the provisions of the same paragraph.

(7) The provisions of paragraphs (7) to (12) of the preceding Article apply mutatis mutandis if the recommendation under the provisions of paragraph (5) is made. In this case, Cabinet Order prescribes the necessary technical replacements of terms.

(8) With regard to those equivalent to a specified acquisition made by a person who is not a foreign investor (including organizations such as corporations) on behalf of a foreign investor not under the name of the foreign investor, the provisions of the preceding respective paragraphs and the following Article apply, by deeming that person who is not a foreign investor as a foreign investor.

Article 29 (Order to Take Measures)

(1) In the following cases, if the Minister of Finance and the competent minister for the business find that the relevant inward direct investment, etc. or specified acquisition falls under the category of inward direct investment, etc. set forth in Article 27, paragraph (3), item (i) (limited to an inward direct investment, etc. which is likely to cause a situation that impairs national security; hereinafter referred to as an "inward direct investment, etc. concerning national security" in this Article) or the category of specified acquisition concerning national security, they may order a foreign investor that has made the inward direct investment, etc. or specified acquisition to dispose of the whole or part of the shares or equity acquired through the inward direct investment, etc. or specified acquisition or take other necessary measures, pursuant to the provisions of Cabinet Order, after hearing the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions.

(i) If a foreign investor that must give notification under the provisions of Article 27, paragraph (1) or paragraph (1) of the preceding Article fails to give the notification and makes an inward direct investment, etc. or specified acquisition

(ii) If a foreign investor that has given notification under the provisions of Article 27, paragraph (1) or paragraph (1) of the preceding Article makes the inward direct investment, etc. or specified acquisition for which the notification has been given, before the expiration of the prohibition period

(2) If a foreign investor that has given notification under the provisions of Article 27, paragraph (1) or paragraph (1) of the preceding Article has given a false notification in connection with that notification, and the Minister of Finance and the competent minister for the business find that the inward direct investment, etc. or specified acquisition for which the notification has been given falls under the category of inward direct investment, etc. concerning national security or the category of specified acquisition concerning national security, they may order the foreign investor that has made the inward direct investment, etc. or specified acquisition, to take necessary measures, pursuant to the provisions of Cabinet Order, after hearing the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions.

(3) If a foreign investor that has given notification under the provisions of Article 27, paragraph (1) or paragraph (1) of the preceding Article fails to follow a recommendation to change the content of the inward direct investment, etc. or specified acquisition for which the notification has been given although the foreign investor has given notification of acceptance of the recommendation under the provisions of Article 27, paragraph (7) (including as applied mutatis mutandis pursuant to paragraph (7) of the preceding Article), or violates an order to change the content of the inward direct investment, etc. or specified acquisition which has been issued under the provisions of Article 27, paragraph (10) (including as applied mutatis mutandis pursuant to paragraph (7) of the preceding Article) (in the case of an inward direct investment, etc., limited to when the inward direct investment, etc. is found to fall under the category of inward direct investment, etc. concerning national security), the Minister of Finance and the competent minister for the business may order the foreign investor that has made the inward direct investment, etc. or specified acquisition to dispose of the whole or part of the shares or equity acquired through the inward direct investment, etc. or specified acquisition (limited to the part subject to the change if the relevant ministers recommend a change to the number or amount of shares or the number or amount of units of equity involved in the inward direct investment, etc. or specified acquisition pursuant to the provisions of Article 27, paragraph (5) or paragraph (5) of the preceding Article, or the part subject to the change if the relevant ministers order a change to the number or amount of shares or the number or amount of units of equity involved in the inward direct investment, etc. or specified acquisition pursuant to the provisions of Article 27, paragraph (10) (including as applied mutatis mutandis pursuant to paragraph (7) of the preceding Article)) or take other necessary measures, pursuant to the provisions of Cabinet Order.

(4) If a foreign investor that has given notification under the provisions of Article 27, paragraph (1) or paragraph (1) of the preceding Article fails to follow a recommendation to discontinue the inward direct investment, etc. or specified acquisition for which the notification has been given although the foreign investor has given notification of acceptance of the recommendation under the provisions of Article 27, paragraph (7) (including as applied mutatis mutandis pursuant to paragraph (7) of the preceding Article), or violates an order to discontinue the inward direct investment, etc. or specified acquisition which has been issued under the provisions of Article 27, paragraph (10) (including as applied mutatis mutandis pursuant to paragraph (7) of the preceding Article) (in the case of an inward direct investment, etc., limited to when the inward direct investment, etc. is found to fall under the category of inward direct investment, etc. concerning national security), the Minister of Finance and the competent minister for the business may order the foreign investor that has made the inward direct investment, etc. or specified acquisition to dispose of the whole or part of the shares or equity acquired through the inward direct investment, etc. or specified acquisition or take other necessary measures, pursuant to the provisions of Cabinet Order.

(5) The term "prohibition period" referred to in paragraph (1), item (ii) means the period prescribed in the main clause of Article 27, paragraph (2) (if the period is extended pursuant to the provisions of paragraph (3) or (6) of the same Article or shortened pursuant to the provisions of the proviso to paragraph (2) or paragraph (4) of the same Article, the period extended or shortened) or the period prescribed in the main clause of paragraph (2) of the preceding Article (if the period is extended pursuant to the provisions of paragraph (3) or (6) of the same Article or shortened pursuant to the provisions of the proviso to paragraph (2) or paragraph (4) of the same Article, the period extended or shortened).

Article 30 (Notification of Conclusion of a Technology Introduction Contract, etc. and Recommendation of a Change, etc.)

1) When a resident intends to carry out 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 carried out by the non-resident, or acts of making changes in the provisions of such a contract (hereinafter referred to as "conclusion of a technology introduction contract, etc." in this article and Article 55-6, Article 69-3, paragraph (2) and Article 70, paragraph (1)), 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 provisions of paragraph (3), he/she shall notify in advance, pursuant to the provisions of Cabinet Order, the Minister of Finance and the competent minister for the business of the provisions of the contract and other matters specified by Cabinet Order with regard to the conclusion of a technology introduction contract, etc.

2) A resident who has given notification of the conclusion of a technology introduction contract, etc. pursuant to the provisions of the preceding paragraph shall not carry out 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 competent minister for the business; provided, however, that when the Minister of Finance and the competent minister for 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 provisions of the following paragraph, he/she may shorten the period.

3) Where the Minister of Finance and the competent minister for the business have received a notification pursuant to the provisions 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. with 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 carried out 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. The smooth management of the Japanese economy is significantly adversely affected.

4) Where the Minister of Finance and the competent minister for the business have extended the period in which the conclusion of a technology introduction contract, etc. shall not be carried out pursuant to the provisions of the preceding paragraph, when he/she finds, before the expiration of the extended period, through examination pursuant to the provisions of said paragraph that the conclusion of a technology introduction contract, etc. pertaining to a notification pursuant to the provisions 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 competent minister for the business have extended the period in which the conclusion of a technology introduction contract, etc. shall not be carried out pursuant to the provisions of paragraph (3), when he/she finds through examination pursuant to said paragraph that the conclusion of a technology introduction contract, etc. pertaining to a notification pursuant to the provisions 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 pursuant to the provisions of Cabinet Order 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 provisions of paragraph (3) or (6), counting from the day of acceptance of the notification.

6) Where the Minister of Finance and the competent minister for the business hear the opinions of the Council on Customs, Tariff, Foreign Exchange and other Transactions pursuant to the provisions 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 carried out prescribed in said paragraph shall be five months, notwithstanding the provisions of 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 provisions 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.

[...]

Chapter VI-2 Reports, etc.

[...]

Article 55-5 (Report of Inward Direct Investment, etc.)

(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 applies in this article), he/she shall report, pursuant to the provisions of Cabinet Order, to the Minister of Finance and the competent minister for 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 does not apply to inward direct investment, etc. that shall be notified pursuant to the provisions 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 provisions of the preceding paragraph apply deeming the person who is not a foreign investor to be a foreign investor.

[...]

Chapter IX Penal Provisions

[...]

Article 70

(1) 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.

[...]

(xxii) Any person who has made an inward direct investment, etc. or specified acquisition failing to give notification pursuant to the provisions of Article 27, paragraph (1) or Article 28, paragraph (1) or giving a false notification (including those deemed to be a foreign investor pursuant to the provisions of Article 27, paragraph (13) or Article 28, paragraph (8))

(xxiii) Any person who has made an inward direct investment, etc. or specified acquisition within the prohibition period prescribed in Article 29, paragraph (5) in violation of Article 27, paragraph (2) or Article 28, paragraph (2) (including those deemed to be a foreign investor pursuant to the provisions of Article 27, paragraph (13) or Article 28, paragraph (8))

(xxiv) Any person who has made an inward direct investment, etc. or specified acquisition in violation of Article 27, paragraph (8) (including as applied mutatis mutandis pursuant to Article 28, paragraph (7)) (including those deemed to be a foreign investor pursuant to the provisions of Article 27, paragraph (13) or Article 28, paragraph (8))

(xxv) Any person who has made an inward direct investment, etc. or specified acquisition in violation of an order of change or discontinuance pursuant to the provisions of Article 27, paragraph (10) (including as applied mutatis mutandis pursuant to Article 28, paragraph (7)) (including those deemed to be a foreign investor pursuant to the provisions of Article 27, paragraph (13) or Article 28, paragraph (8))

(xxvi) Any person who has violated an order under the provisions of Article 29, paragraphs (1) to (4) (including those deemed to be a foreign investor pursuant to the provisions of Article 27, paragraph (13) or Article 28, paragraph (8))

[...]

Article 72

(1) When a representative of a juridical person (including organizations as prescribed in Article 26, paragraph (1), items (ii) and (iv), Article 27, paragraph (13), Article 28, paragraph (8), and Article 55-5, paragraph (2); hereinafter the same applies in this paragraph) or an agent, employee or other worker of a juridical person or individual has carried out any violation of the provisions set forth in the following items with regard to the business or property of said juridical person or individual, in addition to the offender being subject to punishment, the juridical person is subject to the fine specified in the respective items and the individual is subject to the fine referred to in the relevant Article.

[...]

(v) Article 70 or the preceding two Articles: the fine referred to in the relevant Article

[...]

(3) In the case of punishment of any organization falling under organizations prescribed in Article 26, paragraph (1), items (ii) and (iv), Article 27, paragraph (13), Article 28, paragraph (8) 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 apply mutatis mutandis.

[...]

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