5 Sector: All

Sub-Sector:

Industry Classification:

Obligations Concerned: National Treatment (Article 2)

Most-Favoured-Nation Treatment (Article 3)

Prohibition of Performance Requirements (Article 6)

Description:

1. Japan reserves the right to adopt or maintain any measure relating to investment in industries other than those recognised or other than those that should have been recognised by the Government of Japan owing to the circumstances on the date of entry into force of this Agreement.

2. Any industries classified positively and explicitly in JSIC or CPC, on the date of entry into force of this Agreement should have been recognised by the Government of Japan on that date.

3. Japan reserves the right to adopt or maintain any measure relating to investment in industries which were not technically feasible on the date of entry into force of this Agreement.

Existing Measures:

6 Sector: All

Sub-Sector:

Industry Classification:

Obligations Concerned: National Treatment (Article 2)

Most-Favoured-Nation Treatment (Article 3)

Description: The prior notification requirement and screening procedures under the Foreign Exchange and Foreign Trade Law apply to foreign investors who intend to make investments in Japan when:

(a) an investment which a foreign investor intends to make may undermine the national security, disturb the maintenance of public order, or hinder the protection of public safety; or

(b) a foreign investor intends to make an investment in an industry included in Japan's reservations to the OECD Code of Liberalisation of Capital Movements lodged in accordance with paragraph (b) of Article 2 of the Code.

Note: For the purposes of this entry, the term "the OECD Code of Liberalisation of Capital Movements" means the Code of Liberalisation of Capital Movements adopted by the Council of the Organisation for Economic Co-operation and Development on 12 December 1961, as revised or amended.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 28

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 4