49	Sector:	Transport
	Sub-Sector:	Water Transport
	Industry Classification:	JSIC 4542 Coastwise ship leasing
	Obligations Concerned:	National treatment (Article 8.8)
	Level of Government:	Central Government
	Measures:	Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27[1] Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3
	Description:	Investment liberalisation 1. 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 water transport industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.[1] 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result. 4. For the purposes of this reservation, "water transport industry" refers to coastwise ship leasing industry.

[1] For greater certainty, for the purposes of this reservation, the definition of "inward direct investment" provided in Article 26 of the Foreign Exchange and Foreign Trade Law applies with respect to the interpretation of this reservation.

[1] For greater certainty, absence of reference in this description to "national security", which is referred to in No. 11, 13, 15, 37, 43, 44, 52 and 54 in the Schedule of Japan in this Annex, does not mean that Article 1.5 does not apply to the screening or that Japan waives its right to invoke Article 1.5 to justify the screening.