

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS

AG 004 (28 Sep 46) ESS/AC
(SCAPIN - 1238)

APO 500
28 September 1946

MEMORANDUM FOR: IMPERIAL JAPANESE GOVERNMENT

THROUGH : Central Liaison Office, Tokyo

SUBJECT : Supplementary Regulations Affecting Restricted Concerns

1. References are the following Memoranda for the Imperial Japanese Government from General Headquarters, Supreme Commander for the Allied Powers:

a. AG 004 (8 Dec 45) ESS/AC, 8 December 1945, (SCAPIN - 403), subject: "Establishment of a Schedule of Restricted Concerns."

b. AG 300.8 (8 Dec 45) ESS/AC, 8 December 1945, (SCAPIN - 408), subject: "Regulations Affecting Restricted Concerns."

2. The Imperial Japanese Government will take the necessary action to assure that, unless prior approval is obtained from the Supreme Commander for the Allied Powers, none of the following will directly or indirectly acquire any interest in or directly or indirectly participate in the management of any non-restricted concern:

a. Any concern listed on the Schedule of Restricted Concerns established by reference Memorandum 1a, above.

b. Any non-restricted subsidiary of a Restricted Concern.

c. Any other concern or individual controlled by a Restricted Concern or a non-restricted subsidiary of a Restricted Concern.

3. a. "Directly or indirectly acquire any interest" is defined to include, but not be limited to, acquiring any interest in any non-restricted concern through the directors, officers or other employees of a Restricted Concern, or through a non-restricted subsidiary of such Restricted Concern or the directors, officers or employees of such non-restricted subsidiary or through any other concern or individual controlled by such Restricted Concern or non-restricted subsidiary or the directors, officers or employees of such other concern. "Any interest" shall mean any shareholdings, indebtedness, certificates of indebtedness or other device through which any control over such other non-restricted concern is exercised or ownership of ten (10) percent or more of the shares of such other non-restricted concern.

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per Scapin 1238//
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Basic: Memorandum for Imperial Japanese Government from GHQ, SCAP, file AG 004 (28 Sep 46)ESS/AG (SCAPIN - 1238), subject: "Supplementary Regulations Affecting Restricted Concerns," dated 28 September 1946

b. "Directly or indirectly participate in the management" is defined to include, but not be limited to, any agreement or understanding between:

- (1) A Restricted Concern, or the directors, officers or employees of such Restricted Concern, or
- (2) A non-restricted subsidiary of a Restricted Concern, or the directors, officers or employees of such subsidiary, or
- (3) Any other concern or individual controlled by a Restricted Concern or a non-restricted subsidiary thereof, or the directors, officers or employees of such other concern,

and: any other non-restricted concern whereby such Restricted Concern or non-restricted subsidiary thereof or such other concern or individual controlled by such Restricted Concern or non-restricted subsidiary participates in the management of such other non-restricted concern or exercises any control over the sales or production of such other non-restricted concern.

4. The Imperial Japanese Government will take the necessary action to assure that any concern or individual referred to in subparagraphs 2a, b and c, above, will, within thirty (30) days from the date of this Memorandum, submit plans to the Supreme Commander for the Allied Powers for the termination of any interest or participation as defined in subparagraphs 3a and b, above, if such interest or participation was acquired on or after 8 December 1945.

See Scapin 1238A → 4a
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5. Direct communication is authorized between the interested Staff Sections of General Headquarters, Supreme Commander for the Allied Powers, and agencies of the Imperial Japanese Government concerned to implement all provisions of this Memorandum.

FOR THE SUPREME COMMANDER:

John B. Cooley
JOHN B. COOLEY,
Colonel, AGD,
Adjutant General.