

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 601 (29 Jan 49) DS
SCAPIN 2005

14 May 1949

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Acquisition of Real Property by Foreign Governments

1. Reference: Circular 9, General Headquarters, Supreme Commander for the Allied Powers, 14 May 1949, copy attached.

2. The above reference permits and sets forth the conditions under which foreign governments may acquire title to or lease real property in Japan.

3. It is desired that the Japanese Government implement the principles set forth in above reference in the following ways:

a. Take the necessary legal steps to assure foreign governments fair treatment in the acquisition and enjoyment of real property.

b. Receive from foreign governments, through General Headquarters, Supreme Commander for the Allied Powers, applications to acquire title to or lease real property and recommend to the Supreme Commander for the Allied Powers whether such acquisition is considered acceptable in view of the intended use of the property and the extreme scarcity of available real property in Japan.

c. Reply, through General Headquarters, Supreme Commander for the Allied Powers, to requests of foreign governments concerning purchase of real property in Japan.

d. Decide, subject to review by the Supreme Commander for the Allied Powers, whether to approve applications by foreign governments for validation of acquisitions of title to or lease of real property in Japan from Japanese nationals and Japanese Government agencies.

e. The Japanese Government, when validating transactions referred to in paragraph 3d above, will state that the acquisition of property thereby validated

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- (1) Is considered acceptable in the light of criteria mentioned in paragraph 3b above;
- (2) Is not taking place under conditions of fraud, duress, or undue influence assignable in any way to the Occupation, and
- (3) In no way constitutes a claim for remittance of foreign exchange or goods outside Japan beyond that authorized by applicable Japanese laws or regulations of the Supreme Commander for the Allied Powers.

f. When title to real property is to be acquired by a foreign government and the property is privately owned, procedures should be established whereunder once the private owner is willing to sell and the price has been agreed upon, the Japanese Government will then acquire title to the property from the private owner and transfer title to the foreign government.

g. It is desired that the Japanese Government make the necessary arrangements for compensating sellers or lessors of property in yen in the amount of the agreed purchase price. The Supreme Commander for the Allied Powers will make appropriate disposition of foreign exchange instruments, goods, or services received from the foreign government as its part of the purchase agreement.

4. Direct communication between the appropriate agencies of the Japanese Government and the Economic and Scientific Section, General Headquarters, Supreme Commander for the Allied Powers, is authorized for the implementation of this directive.

FOR THE SUPREME COMMANDER:

R M Levy
R. M. LEVY,
Colonel, AGD, *6*
Adjutant General.

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CHQ, SCAP Cir 9, 1949

GENERAL HEADQUARTERS

SUPREME COMMANDER FOR THE ALLIED POWERS

APO 500



(CIRCULAR)
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(NO.....9)

14 May 1949

ACQUISITION OF REAL PROPERTY IN JAPAN BY FOREIGN GOVERNMENTS

1. References. a. General Orders 1, General Headquarters, Supreme Commander for the Allied Powers, 14 January 1949.

b. General Orders 8, General Headquarters, Supreme Commander for the Allied Powers, 14 May 1949.

c. Circular 17, General Headquarters, Supreme Commander for the Allied Powers, 2 June 1948.

d. Circular 2, General Headquarters, Supreme Commander for the Allied Powers, 14 January 1949.

e. Memorandum for the Japanese Government, AG 601 (24 Jan 49)DS, SCAPIN 2005, 14 May 1949.

2. Purpose. This circular establishes the conditions under which foreign governments or agencies thereof may acquire title to or lease real property in Japan.

3. Definitions. a. A foreign government is defined, for the purpose of this circular, as any government which has a representative accredited to the Supreme Commander for the Allied Powers or a duly established mission in Japan.

b. Real property is defined as rooms, apartments, residences, buildings, and land, including any structures erected thereon.

4. Acquisition of Properties and Rights. a. Effective on the date of this circular, foreign governments, or agencies thereof, are authorized to acquire title to or lease real property in Japan and to improve the same in accordance with Japanese law, subject to compliance with appropriate regulations of the Supreme Commander for the Allied Powers and the following conditions:

- (1) The purpose of the acquisition shall be clearly defined and restricted to necessary official use.
- (2) Payment by the foreign government for any property acquired shall be made through the Supreme Commander for the Allied

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Powers in acceptable foreign exchange, which will be converted by the Supreme Commander for the Allied Powers at the official rate of exchange, or in acceptable goods or services of an equivalent value.

(3) Acquisition shall be validated by the Supreme Commander for the Allied Powers and by the Japanese Government.

b. Applications for validation as required by paragraph 4a will be submitted through General Headquarters, Supreme Commander for the Allied Powers, to the appropriate agency of the Japanese Government.

c. Real properties acquired or leased by foreign governments are subject to requisition by the occupation forces on the same basis as Japanese properties. Foreign governments contemplating acquisition or lease of real properties may obtain information from General Headquarters, Supreme Commander for the Allied Powers, as to whether there is a foreseeable occupation requirement for the properties involved.

d. The requirements for validation established in this paragraph shall not apply to restoration or restitution, nor to any claims related thereto, of properties to prewar owners by the Japanese Government under supervision of the Supreme Commander for the Allied Powers, nor shall anything in this paragraph be construed as validating any acquisition or lease of properties which was made prior to the date of this circular.

e. Validation by the Supreme Commander for the Allied Powers and the Japanese Government, as hereinbefore provided, shall in no way constitute grounds for any special claim on materials, facilities, and services necessary to improve the real property so acquired.

5. Remittances. Except as provided by special license by the Supreme Commander for the Allied Powers, conversion of yen into foreign currency or exchange and agreements or arrangements involving such conversion are prohibited.

6. Foreign Investment Board. a. The Foreign Investment Board, as established by and in accordance with the relevant procedure set forth in reference 1a, is authorized to advise the Supreme Commander for the Allied Powers on the disposition of specific applications by foreign governments for approval of acquisition of title to or lease of real property in Japan.

b. When considering applications by foreign governments for validation of agreements to acquire real property in Japan, the Board will coordinate its action with interested staff sections of General Headquarters, Supreme Commander for the Allied Powers.

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c. The Board will be guided in its consideration of specific applications by the conditions set forth herein and will submit for the approval of the Supreme Commander for the Allied Powers proposed standards governing the application of these conditions to specific requests for validation. Following such approval the Board is authorized to publish the approved standards for the information and guidance of interested foreign governments.

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BY COMMAND OF GENERAL MacARTHUR:

OFFICIAL:

EDWARD M. ALMOND,
Major General, General Staff Corps,
Chief of Staff.

R M Levy
R. M. LEVY,
Colonel, AGD,
Adjutant General.