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2. Export License

- a. Export requiring Approval by License of MITI. Following exports requires the approval by license of MITI before the delivery.

The requirement for such license is defined in three ways, namely commodities, contracts and payment terms.

- (1) Export of commodities designated by the Cabinet Order Attachment which contains critical materials and others, such as food-stuffs, metal products etc.
- (2) Export under processing deal contract or compensation deal, i.e. under payment terms by escrow or back to back L/C.
- (3) Export of commodities under payment terms which is not promulgated by a FECEB Regulation.
- (4) Export by a person who was ordered by MITI to get the prior approval of MITI with limitation of a period less than one year, because of a fact that after he received the warning from MITI as he did not pay due respect to laws and regulations of the destination country prohibiting the unfair competition or made improper reduction of the selling price, he repeated the commitment of such violation of the law within one year of such warning.

When application for export license is submitted as mentioned above, MITI may give the approval after checking the following points and may fix a condition to the approval, if MITI thinks it necessary, provided that MITI get the concurrence of FECEB for the export stated in Item 3 above.

- 1) Whether the export concerned falls in the category which require MITI approval or not.
- 2) Whether the export concerned is not contrary to the trade or financial arrangement with the destination country.
- 3) Whether the export concerned is not contrary to the maintenance of sound international trade relations nor detrimental to the development and rehabilitation of national economy.

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- 4) Whether the terms of export contract is in conformity to the relative import contract, in case of compensation deal.
- 4) Whether the export from Japan to a country for which the open account is established is not over-balanced exceedingly, when there is not prospect of import from such country.
- 6) Whether the violation is not repeated in the particular transaction, in case of 2, a, (4) stated above.
In case SCAP validation is necessary, MITI get such validation after MITI approval.

b. Application for License to Export and Approval of Sales Contract.

- (1) The exporter must submit to MITI three copies of IE 234 (Application for License to Export) which is revised as of 1 December 1949 by MITI Ordinance to get the export license.

The exporter may send such application form by mail or through a bank to MITI and his personal appearance at MITI is not necessary.

- (2) As for the export under processing deal contract or compensation deal, the exporter is required to get the approval of contract by MITI by presenting MITI with three copies of contract.

Although there is no standard form of such contract, the contract must contain at least following terms.

(1) Processing Deal Contract.

- (a) That the title and risk of the raw materials to be supplied by the foreign buyer (truster) to the Japanese seller (trustee) belongs to the truster.
- (b) That the payment for processing is made by acceptable foreign exchange (i.e. U.S.\$ or Sterling Pound) or raw materials similar to those in trustee-ship or products made out of processing.
- (c) In case where the products made out of the processing are not in conformity with the terms of contract, the truster still takes delivery of such products.

Remarks; Item(c) above seems to be absurd for the foreign buyer.
The ground for making such qualification is that in case

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3. Suspension of Loading.

In order to maintain sound international trade relations or to avoid any detrimental effect to the rehabilitation and development of national economy, MITI may, in case of grave emergency, suspend the loading of export goods by designating the name of commodities or destinations by MITI Ordinance within a limitation of a period less than one month.

The authority of MITI for suspension of loading stated above will be applicable to all kinds of export before shipment, including the export for which the approval by license is given by MITI.

In case such suspension is enforced, MITI will give notice to the foreign exchange banks (hereafter called as "bank") and the customs.

4. Export Price

(a) Prohibition of Dumping

The exporter may determine the export price through negotiation with the buyer at his own will, provided such price is not be against the regulations of destination country prohibiting the unfair competition.

Therefore, it is necessary for the exporter to pay due respect to such regulations, such as by confirming the buyer in this regard.

(b) Prohibition of Rebates.

The exporter is not allowed to reduce the export price unduly beyond the extent as may be deemed proper by the established commercial practice, such as by delivering money or goods or rendering services etc. to the buyer.

(c) Declaration by the Exporter.

The exporter is responsible for compliance with the stipulations stated in (a) and (b) above and therefore must declare on the export declaration form that the export conforms in all particulars with applicable laws and regulations of Japan and that cognizance has been taken of the paid to laws and regulations regarding unfair competition in the countries of final destination of the goods.

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(d) Warning

In case any exporter is considered to have made any activity against the stipulations stated in (a) and (b) above, MITI may give a warning to such person.

If the exporter who received the warning mentioned above is considered to have made another activity against such warning, MITI may order such person to get the prior approval by license of MITI for his subsequent export.

5. Payment Terms.

Government control on the payment terms of the contract has been principally abandoned and the contracting parties may enter contract under any payment terms at their choice provided it is not contrary to the financial arrangement with the destination country.

However, in case of export under payment terms other than promulgated by the FECB Regulation which fixes the standard payment terms, the exporter must file Form IE 234 to MITI for approval.

MITI must get the prior agreement of FECB in giving the approval stated above.

The banks are obligated to report to FECB on establishment of letter of credit or corresponding instruments, when they received such letter of credit or instruments including subsequent change in such credit arrangement.

6. Export Declaration Form.

The old procedures which required the processing of application for export license and sales contract has been abolished and the document needed for the procedure is limited to export declaration form only.

In another words, the exporter may get the certification of a bank by presenting to the bank the export declaration form with necessary description and clear through the customs by presentation of the certified export declaration form.

On the export declaration form which is filed at the bank for certification, the exporter must fill only the column necessary for the certification, that is the back page of the form and the columns for name and residence of

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of the seller and destination of cargo on the front page, and the other columns on the front page are required to be filled only when the form is submitted to customs for clearance after the certification.

7. Certification by Banks.

The exporter must always get the certification of the bank on the fixed column of export declaration form for the fact mentioned below by presenting it to the bank before shipment, excepting the case of export of a commodity priced not more than ¥5,000, or export of bona fide sample free of charge which is considered to be less than ¥180,000 in estimate value, personal effects, household articles or professional instruments of foreign nationals or repatriates going out of Japan or the personal effects of out-going Japanese nationals authorized to leave Japan.

- (1) That the payment for the relative export has been already made by cheques etc. in U.S. dollar or Sterling pound.
- (2) That the relative export falls in a category which does not require MITI approval by license.
- (3) That the approval by license of MITI has been already given to the relative export, when the export falls in such category.
- (4) That the payment for the relative export is provided for by a method of payment promulgated by the FECB Regulation.
- (5) That the method of payment for the relative export is in conformity with the one approved by MITI and the export proceeds appears to be collected for certain under such method, when the method of payment is not those as promulgated by the FECB Regulation.
- (6) That the payment for the relative export is not required with the approval by license of MITI.
- (7) That the documents required are complete. The exporter is requested to present the bank with the following documents when he submit the export declaration form to the bank for certification.

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- 1) Application for license to export approved by MITI, in case of export which requires such license.
- 2) In case the payment has already been made, the documents evidencing such payment, i.e. cash, cheques or cheque transmittal memos with certification that payment into SCAP Commercial Account is already made.
- 3) In case the payment is provided for in the contract, the documents evidencing the payment, i.e. letter of credit, letter of authority, bank authorization, or certification of foreign trade mission etc.
- 4) In case of export under processing deal contract with a terms that the payment for such export is made by the raw materials or by-products yielded from the relative processing, documents evidencing approval of import of such materials or by-products.

When the bank gave a certification to the export declaration form submitted by the exporter, it must return copy to exporter, sending to MITI one certified copy thereof without delay.

In case the application for export license is submitted along with the export declaration form, the bank must fill out the columns of name, quantity and price of the commodity, documentation number of certification, date of certification and name of certifying bank with the signature of responsible person of the bank on the back page of the said application and give it back to the exporter.

Although the exporter is obligated to get the certification of a bank before shipment, as the bank is not obligated to give the certification, the exporter cannot compel the bank to give certification.

Therefore, in case the exporter is refused certification by one bank, he must go to the other bank for certification and if he is refused by all the banks, the result is that he cannot make export even if it is approved by MITI.

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In addition to above, the exporter must get the new certification when any change is necessitated to the facts covered by original certification.

8. Confirmation by Customs.

The exporter may clear through customs by presenting customs with the certified export declaration form as well as the commercial invoice.

The customs will give export permit to the applicant after confirming that the certification of bank is duly given to the relative export as stated in Paragraph 7 above or that such certification is not required.

However, in case of export by postal mail, the customs do not issue export permit, although they confirm for clearance that the certification of bank is duly given to the export declaration form concerned.

9. Request for Negotiation or Collection of Foreign Exchange Bill to Banks.

The exporter must request to the bank to negotiate or accept for collection of the foreign exchange bill drawn for the relative export accompanied with the certified and confirmed export declaration form, shipping documents and credit instruments for payment such as letter of credit (in case of collection bill or negotiation bill without credit instruments, shipping documents only) according to the method of payment mentioned in the export declaration form, excepting the case where collection of export proceeds has been already made or is not required with the approval by license of government agencies.

(The negotiation of the bill of exchange drawn against the letter of credit established in Japan in foreign currency, such as the case of escrow letter of credit, or receipt of yen payment at the bank upon presentation of shipping documents, such as the case of export by open account which requires the acknowledgement of trade missions and does not require the drawing of any foreign exchange bill, are deemed as negotiation of foreign exchange bill stated above.)

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Upon acceptance of bill for negotiation or collection, the bank fills out the necessary columns in the export declaration form and sends to FECB such export declaration form and commercial invoice confirmed by the customs, sending one copy of invoice to MITI.

9. Exporter must collect the export proceeds through bank in accordance with the payment terms certified by bank, except the cases where prior approval by MITI is given.

However, in the following cases the exporter may collect the proceeds within three months and in case where the exporter can not collect the proceeds within three months, the exporter may apply for the extension of this period to MITI.

1. If the addressee rejected the payment in case the exporter has trusted to the bank, the sale or collection of foreign exchange or in case the scheduled sale of foreign exchange has been changed to collection, the day following the day when the addressee rejected the payment.
2. In case the price of exported goods was increased, the day following the day when such increase occurred.

In giving the approval stated in the leading sentence above, MITI must confirm that the capital flight or any other improper object to evade the restriction imposed by the law and also must get the prior agreement of FECB.

In case of (1) and (2) above, the exporter must report to MITI in writing without delay and, in case whole or a part of the proceeds of the good has been collected, the export must report to MITI also on such collection.

Also in case the exporter who exported goods under approval for export without foreign exchange has collected whole or a part of the export proceeds, the export must report it to MITI.

10. Payment of yen

Payment of yen to the exporter by bank will be made when the payment of foreign currency in cash or cheque has been made to the bank or when the bill of foreign exchange drawn by the exporter has been negotiated by

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the bank or when the proceeds of export goods are collected from the addressee or when the shipping documents have been received by bank (in case of open account not based on L/A or L/C) or when the amount of bill or foreign exchange drawn by the exporter has been collected.

11. Allocation of raw materials.

The demander of raw materials for export goods will receive the allocation before shipment as heretofore, but the exporter to whom the allocation has not been made before the export, may receive the allocation after shipment by presenting to MITI the document which certifies shipment. The diversion of raw materials allocated for domestic use to export and diversion to domestic use, of raw materials allocated for export to fill frame of raw materials which have originally been allocated for domestic use but used for export goods has become free, and the approval by government agency is not required to such diversion.

12. Post review by MITI.

MITI must review the export declaration endorsed, sent from the bank before shipment, and the commercial invoice in order to examine whether there is any unlawful act like dumping, capital flight or unreasonable reduction of price like rebate, or violation of other related laws and regulations.

13. Export of goods of small value or export of bona fide sample free of charge.

In case of export of any goods lower than 5,000 yen, the exporter may export by means of export declaration to the custom house without approval by MITI and endorsement by bank. The exporter will present the shipping documents to bank for negotiation of foreign exchange after shipment (in case of payment by cheque the exporter will present cheque attached with the shipping documents to the bank in order to may payment into SCAP account) and will receive the equivalent yen currency.

In case of export of bona fide sample free of charge, approval by MITI endorsement by bank are not required and the exporter may make shipment by means of export declaration only. The custom house will determine whether the goods are appropriate to be exported as bona fide sample free of charge. The export of bona fide sample with payment will be in accordance with the export regulations for ordinary merchandise.

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the bank or when the proceeds of export goods are collected from the addressee or when the shipping documents have been received by bank (in case of open account not based on L/A or L/C) or when the amount of bill or foreign exchange drawn by the exporter has been collected.

Allocation of raw materials.

The demander of raw materials for export goods will receive the allocation before shipment as heretofore, but the exporter to whom the allocation has not been made before the export, may receive the allocation after shipment by presenting to MITI the document which certifies shipment. The diversion of raw materials allocated for domestic use to export and diversion to domestic use, of raw materials allocated for export to fill frame of raw materials which have originally been allocated for domestic use but used for export goods has become free, and the approval by government agency is not required to such diversion.

Post review by MITI.

MITI must review the export declaration endorsed, sent from the bank before shipment, and the commercial invoice in order to examine whether there is any unlawful act like dumping, capital flight or unreasonable reduction of price like rebate, or violation of other related laws and regulations. Export of goods of small value or export of bona fide sample free of charge.

In case of export of any goods lower than 5,000 yen, the exporter may export by means of export declaration to the custom house without approval by MITI and endorsement by bank. The exporter will present the shipping documents to bank for negotiation of foreign exchange after shipment (in case of payment by cheque the exporter will present cheque attached with the shipping documents to the bank in order to may payment into SCAP account) and will receive the equivalent yen currency.

In case of export of bona fide sample free of charge, approval by MITI and endorsement by bank are not required and the exporter may make shipment by means of export declaration only. The custom house will determine whether the goods are appropriate to be exported as bona fide sample free of charge. The export of bona fide sample with payment will be in accordance with the export regulations for ordinary merchandise.

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14. Export Inspection

In case of export of Commodities of Article 3 of the law concerning Control of Export Commodities for example, glass manufactures, celluloid manufactures, rubber manufactures and enamel iron ware, and in case of commodities of Article 4 for example, canned goods, tea, food products, medical products and binocular, any one of following phrases shall be entered on the space at the bottom of back of export declaration to be presented to bank before shipment, no matter whether MITI approval is required or not.

1. In case of commodities of article 3.

The above mentioned commodity is of grade A (or other grade) as provided in Article 3 of the Law concerning Control of Export Commodities.

2. In case of commodities of article 4.

The above mentioned commodity is over the minimum standard or packing requirement as provided in Article 4 of the Law concerning Control of Export Commodities.

The Export Inspection Section of International Trade Promotion Bureau of MITI will make inspection on export declaration in case where the export declaration has been sent to MITI from bank.

Enclosure No. 7 to Despatch No. 869, December 16, 1949, from the Office of the U.S. Political Adviser for Japan, Tokyo, on the subject "New Japanese Foreign Exchange and Trade Controls with Special Reference to Institution of Private Export System."

Ministry of Finance Ordinance No. 101

December 1, 1949

For the purpose of enforcement of the Foreign Exchange and Foreign Trade Control Law, Ministerial Ordinance relating to Enforcement of Provisions of Article 8 of Foreign Exchange and Foreign Trade Control Law shall be hereby established as follows:

Minister of Finance

IKEDA Hayato

Ministerial Ordinance relating to Enforcement of Provisions of Article 8 of Foreign Exchange and Foreign Trade Control Law.

(Designation of Currency)

Article 1. United States Currency and United Kingdom Currency shall be designated as such foreign currency as expresses foreign means of payment to be used for settlement of any transaction, governed by the provisions of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949) and ordinances thereon (hereinafter referred to as transaction).

(Provisions for Exception)

Article 2. Foreign means of payment expressed in any foreign currency other than those designated in the foregoing article may, in cases of being duly authorized by the Minister of Finance, be used for settlements of transactions.

(Application Procedures for Authorization)

Article 3. Any person who intends to apply for authorization referred to in the foregoing article shall submit an application, two copies in Japanese and three copies in English, for authorization in conformity with the annexed form to the Minister of Finance.

Supplementary Provisions

This Ministerial Ordinance shall come into force on and after its promulgation.

Unclassified

(Application Form)

APPLICATION FOR AUTHORIZATION TO USE FOREIGN MEANS
OF PAYMENT EXPRESSED IN CURRENCY OTHER THAN THOSE
DESIGNATED

Date of Application _____

Applicant:

Name (or Trade Name) _____

Nationality _____

Address _____

Name of Competent
Person _____

Business engaging in _____

Tel. No. _____

TO : Minister of Finance

Application is hereby made for authorization on the captioned
subject as described hereunder

1. Kind of Foreign Currency Desired to be Used for Foreign Means of Payment
2. Kind of Foreign Means of Payment
3. Details on Transaction for which Foreign Means of Payment would be Used
 - a. Person being Party to the Transaction

Name (or Trade Name) _____

Address _____

Business engaging in _____
 - b. Details on Commodities, Services and Other Matters of the Transaction
 - c. Amount of Foreign Means of Payment to be Used for the Transaction
 - d. Other Information
4. Reasons Why Use of Foreign Currency Referred to in Paragraph 1 is Desired to be Used:

Signature of Applicant or Representative

Approved for:

Minister of Finance:

By _____

Title _____

Date _____

Validated for:

The Supreme Commander for the
Allied Powers

By _____

Title _____

Date _____

Enclosure No. 8 to Despatch No. 880, December 16, 1949,
from the Office of the U.S. Political Adviser for Japan,
Tokyo, on the subject "New Japanese Foreign Exchange and
Trade Controls with Special Reference to Private Export
System."

Ministry of Finance Ordinance No. 102

December 1, 1949

For the purpose of enforcement of the Foreign Exchange and Foreign Trade Control Law, Ministerial Ordinance relating to Enforcement of the provisions of Art. 10 and Art. 14 of Foreign Exchange and Foreign Trade Control Law shall hereby be established as follows:

Minister of Finance

IKEDA Hayato

Ministerial Ordinance relating to Enforcement of provisions of
Article 10 and Article 14 of Foreign Exchange and Foreign
Trade Control Law

(Definition)

Article 1. "Foreign Exchange business" in this Ordinance shall mean purchase and sale or issuance of foreign means of payment, acceptance of request for payment and/or for collection between Japan and foreign countries and other business incidental thereto which are to be exercised as an enterprise.

2. "Money change business" in this Ordinance shall mean purchase and sale of foreign currency, and purchase of traveller's check expressed in foreign currency or forwarded to Japan from foreign country.

(Application Procedures for License of Foreign Exchange Banks, etc.)

Article 2. Any bank who intends to apply for operation of foreign exchange business in accordance with the provisions of Article 10, Paragraph 1 of the Foreign Exchange and Foreign Trade Control Law (hereinafter referred to as the Law) shall submit an application, two copies in Japanese and three copies in English, in conformity with the annexed form No. 1 to the Minister of Finance.

2. Provisions of the foregoing paragraph shall be applied mutatis mutandis to an application for license for operation of money change business in accordance with the provisions of Article 14, Paragraph 1 of the Law.

(Application Procedures for Authorization for Foreign Exchange Bank etc.)

Article 3. Any bank who intends to apply for establishment of new office etc. to be engaged in foreign exchange business in accordance with the provisions of Article 10, Paragraph 1 of the Foreign Exchange and Foreign Trade Control

Law (Law No. 228 of 1949) (Hereinafter, referred to as the Law) shall submit an application, two copies in Japanese and three copies in English, in conformity with the annexed form No. 2 to the Minister of Finance.

2. Provisions of the foregoing paragraph shall be applied mutatis mutandis to an application for authorization for establishment of new office etc. to be engaged in money change business in accordance with the provisions of Article 14, Paragraph 2 of the Law.

Supplementary Provision

This Ministerial Ordinance shall come into force on and after its promulgation.

(Form No. 1)

APPLICATION FOR LICENSE TO ENGAGE
IN FOREIGN EXCHANGE BUSINESS

(Date of Application)

TO : Minister of Finance (Agency of the Japanese Government)

FORM: Applicant _____ (Name of Bank) _____ (Nationality)

(Address) (Tel. No.) (Name of Official concerned)

We hereby apply for license regarding the captioned subject of which particulars are as per enumerated hereunder.

1. Name and address of offices which are to carry on foreign exchange business and starting date of the said business

Name of Office(s)	Address (Tel.No.)	Starting Date
-------------------	-------------------	---------------

2. Scope of foreign exchange business to be performed

3. Reason why foreign exchange business is necessary in above office(s), showing the expected volume of such business per annum

4. References

- a. Number of persons engaging in foreign exchange business in above office(s)

Item	Number
(1) Persons who have experience of foreign exchange business of less than a year.	
(2) Persons who have experience of foreign exchange business of more than a year and less than 5 years.	
(3) Persons who have experience of foreign exchange business of more than 5 years.	
Total	

- b. Other information which will aid in consideration of this application

(Signature and Seal)

Approved for:

Minister of Finance

By _____

Title _____

Date _____

Validated for:

The Supreme Commander for the Allied
Powers

By _____

Title _____

Date _____

(Form No. 2)

APPLICATION FOR AUTHORIZATION OF ESTABLISHMENT OF
NEW OFFICE TO ENGAGE IN FOREIGN EXCHANGE BUSINESS
(OR CHANGE OF NAME, LOCATION AND/OR SCOPE OF BUSINESS)

(Date of Application)

TO : Minister of Finance

FROM: Applicant

(Name of Bank)

(Nationality)

(Address)

(Tel.No.)

(Name of Official concerned)

We hereby apply for authorization regarding the captioned subject of which particulars are as enumerated hereunder.

1. Name and location of new office which is to carry on foreign exchange business (or name and/or location of office to be changed in case of change) and starting date of the said business (or date of change).

Name of office (Former Name)	Location and Tel. No. (Former Location)	Starting date
---------------------------------	--	---------------

2. Scope and date of foreign exchange business which is to be changed.
 - a. Scope of new business.
 - b. Scope of former business.
3. Reason necessitating establishment of new office (or change of name, location and/or scope of business)
4. Estimate number of cases in new office classified to areas, for which foreign exchange transactions are likely effected in a coming year and the references.
5. Other information which will aid in consideration of this application.

(Signature and Seal)

Approved for:

Minister of Finance

By _____

Title _____

Date _____

Validated for:

The Supreme Commander for the Allied Powers

By _____

Title _____

Date _____

Enclosure No. 9 to Despatch No. 880, December 16, 1949,
from the Office of the U.S. Political Advisor for Japan,
Tokyo, on the subject "New Japanese Foreign Exchange and
Trade Controls with Special Reference to Private Export
System."

Ministry of Finance Notification No. 970

December 1, 1949

In compliance with the provisions of Article 7, Paragraph 1 and 2 of
the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949),
the basic rate of foreign exchange and cross rate of foreign exchange are
hereby designated as follows.

Minister of Finance

IKEDA Hayato

1. Basic rate of foreign exchange
Japanese Yen 360.- to One U.S. Dollar
2. Cross rate of foreign exchange
Japanese Yen 1,008.- to One Pound Sterling

Unclassified

Enclosure No. 10 to Despatch No. 880, December 16, 1949,
the Office of the U.S. Political Adviser for Japan, Tokyo
on the subject "New Japanese Foreign Exchange and Trade
Controls with Special Reference to Private Export System."

I hereby promulgate the Cabinet Order concerning Report to be Submitted
by Foreign Exchange Banks and Money Changers.

Signed: HIROHITO, Seal of the Emperor

This first day of the twelfth month of the twenty-fourth year of Showa
(December 1, 1949)

Prime Minister

YOSHIDA Shigeru

Cabinet Order No. 378

Cabinet Order concerning Report to be Submitted by Foreign
Exchange Banks and Money Changers

The Cabinet establishes this Cabinet Order in accordance with the provisions of Article 15 and the Supplementary Provisions, Paragraph 4 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949)

1. Foreign exchange banks and money changers shall make reports periodically on their businesses in accordance with the provisions of Foreign Exchange Control Board Regulation.
2. The Minister of Finance may collect reports on business from foreign exchange banks and money changers.
3. The Minister of International Trade and Industry may, if he deems necessary, collect reports on business from foreign exchange banks for the purpose of enforcement of the provisions stipulated in the Chapter 6 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949) (hereinafter referred to as the Law).

Supplementary Provisions

1. This Cabinet Order shall come into force from the date of its promulgation.
2. Those who were authorized pursuant to the provisions of Article 3, Paragraph 1 or Article 5, Paragraph 1 of the Cabinet Order concerning Temporary Measures for Authorized Foreign Exchange Banks, etc. (Cabinet Order No. 353 of 1949) at the time when this Cabinet Order comes into force shall be deemed as licensed or authorized pursuant to the provisions of Article 10, Paragraph 1 or Article 14, Paragraph 1 of the Law.
3. Those banks who were designated pursuant to the Supplementary Provisions, Paragraph 2 of the Cabinet Order concerning the Use of Authorized Foreign Exchange Credit for the Promotion of Export (Cabinet Order No. 266 of 1949)

Unclassified

at the time when this Cabinet Order comes into force may operate the business provided for in the former Cabinet Order up to the date to be designated by the Minister of Finance.

4. "Foreign exchange banks provided for in the Cabinet Order concerning Temporary Measures for Authorized Foreign Exchange Banks etc. (Cabinet Order No. 353 of 1949)" in the Article 3, Paragraph 1 of the Foreign Exchange Special Account Law (Law No. 227 of 1949) shall read "Foreign exchange banks provided for in the Foreign Exchange and Foreign Trade Control Law" up to the time when the said provisions shall be amended.

Enclosure No. 11 to Despatch No. 880, December 16, 1949, from the Office of the U. S. Political Adviser for Japan, Tokyo, on the subject "New Japanese Foreign Exchange and Trade Controls with Special Reference to Institution of Private Export System."

Cabinet Order concerning the Procedure for Petition, Notice, Hearing and Decision provided for in Chapter 7 of the Foreign Exchange and Foreign Trade Control Law.

~~(Draft)~~
~~SECRET~~

In accordance with the provision of Article 59 of the Foreign Exchange and Foreign Trade Control Law, the Cabinet establishes this Cabinet Order.

(Purpose of This Cabinet Order)

Article 1. The procedure for petition, notice, hearing and decision provided for in Chapter 7 of the Foreign Exchange and Foreign Trade Control Law (hereinafter referred to as the Law) shall conform to the provisions of this Cabinet Order, in addition to the provisions of the Law.

(Procedure of Petition)

Article 2. Any person who want to make appeal in accordance with the provision of Article 56 of the Law shall file a petition in writing stating the substance and justification of his grievance with the Government agency by the disposition of which he has been aggrieved.

(Turning Down of the Petition)

Article 3. The Government agency may turn down any petition without holding public hearing in case it has been filed either in any issue not eligible to appeal or in contravention of the procedure applicable.

2. In case any petition has been filled in contravention of the procedure applicable the government agency shall order the petitioner to refile it lawfully within a certain period and the Government agency shall not turn down the above petition except in cases where the petitioner does not conform to the above order.

(Advance Notice and Public Notice)

Article 4. In case any petition has been filed the Government agency shall, except in cases where it is to be turned down in accordance with the provisions of the preceding Article, have to fix the time and place of public hearing therefor, notify the petitioner concerned of them in advance and publicly announce them together with the substance of the issue involved.

Unclassified

2. The advance notice as provided for in the preceding paragraph shall be made by the date three (3) weeks prior to the public hearing.

(Public Hearing)

Article 5. The public hearing shall be presided over by the chief of the Government agency or a subordinate designated thereby as a Chairman.

Article 6. The chairman may, when necessary, ask officials of the Government agencies concerned, persons of knowledge and experience and other witnesses to attend the public hearing.

Article 7. Any person who want to attend the public hearing as an interested person or his proxy, shall demonstrate in writing that he is interested in the issue involved.

Article 8. At the outset of the public hearing the petitioner or his proxy shall be given an opportunity of stating the substance and justification of his petition provided that in case he is absent the Chairman may read aloud the petition instead.

Article 9. The petitioner and the interested persons or the proxies of both may submit evidence to or state their opinions at the public hearing.

Article 10. The Chairman may, when necessary for the smooth operation of proceedings, restrict statement or the submission of evidence.

2. The Chairman may, when necessary for the maintenance of order in the public hearing, order to leave the public hearing any person obstructing the maintenance of order or making improper speech or actions.

Article 11. The Chairman may, when necessary, postpone or adjourn the public hearing. In the above case, the Chairman shall fix the time and place of the next meeting, notify in advance the petitioner and his proxy of them and announce them by a public notice.

(Minutes)

Article 12. Minutes of the public hearing shall be made and filed in the record of the issue involved.

Article 13. The minutes shall contain the following items and be signed and sealed by the Chairman.

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- a. Title of the Issue involved.
- b. Time and place of the public hearing.
- c. Name and post of the Chairman.
- d. Name of the petitioner regardless of his attendance and the name of his proxy attending.
- e. Names and addresses of the interested persons or their proxies attending
- f. Names of the officials of the Government agencies concerned, persons of knowledge and experience and other witnesses attending.
- g. Statements or the summaries thereof.
- h. Submission of evidences, if any, and their identifications.
- i. Other important matters concerning the proceedings.

Article 14. The petitioner and his proxy may inspect the record of the issue concerned. Any person who has demonstrated in writing that he is interested in the issue concerned or his proxy may also inspect the above record.

(Decision)

Article 15. The Government agency shall make a decision on the basis of the record of the issue concerned.

2. Justifications shall be attached to the above decision.

Article 16. Any interested person who want, to have a copy of the decision transmitted in accordance with the provision of Article 58 of the Law shall ask the Government agency within thirty (30) days after the decision.

3.. Any person who wants to ask for a copy of the decision in accordance with the provision of the preceding paragraph shall demonstrate in writing that he is interested in the issue concerned.

Supplementary Provision: This Cabinet Order shall be put into force as from the day of its promulgation.

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Enclosure No. 12 to Despatch No. 880,
December 16, 1949, from the Office of
the U.S. Political Adviser for Japan,
Tokyo, on the subject "New Japanese
Foreign Exchange and Trade Controls
with Special Reference to Private
Report System."

Cabinet Order concerning Ministerial Council

~~(SECRET)~~

In accordance with the provision of Article 3, paragraph 2 of the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949) the Cabinet hereby establishes this Cabinet Order.

(Functions)

- Article 1 The Ministerial Council (hereinafter referred to as the Council) shall formulate and/or revise the foreign exchange budget in accordance with the Foreign Exchange and Foreign Trade Control Law.
2. The Council shall take charge of such affairs in addition to that stipulated in the preceding paragraph, as may be placed under its jurisdiction by Cabinet Order to be issued on the basis of the Foreign Exchange and Foreign Trade Control Law.

(Organization)

Article 2 The Council shall consist of a chairman and five (5) members.

2. The Prime Minister shall be the Chairman of the Council.

3. The members of the Council shall be as follows;

Minister of Finance

Minister of Agriculture and Forestry

Minister of International Trade and Industry

Minister of Transportation

Director General of the Economic Stabilization Board

(Chairman)

Article 3 The Chairman shall preside over the affairs of the Council.

(Advisory Member)

Article 4 An advisory member shall be attached to the Council which position being filled by the Chairman of the Foreign Exchange Control Board.

2. The advisory member shall attend the meeting of the Council and advise the Council, on any matter placed under its jurisdiction.

(Administration of Secretarial Affairs)

Article 5. The Foreign Trade Bureau of the Economic Stabilization Board

Unclassified

shall administer the secretarial affairs of the Council.

(Formulation of the Foreign Exchange Budget)

Article 6.

The Foreign Trade Bureau of the Economic Stabilization Board shall prepare the draft foreign exchange budget in accordance with the provision of this article and submit it to the Council.

2. Not later than two (2) months prior to the commencement of the quarter concerned shall be submitted to the Foreign Trade Bureau of the Economic Stabilization Board the quarterly estimates of receipts and payments of foreign exchange funds by the Foreign Trade Control Board, the quarterly estimates of commodity imports and other demand for foreign exchange funds by the Ministry of International Trade and Industry and other Government agencies concerned and the quarterly estimates of export and the data concerning international agreements concerning trade, etc. by the Ministry of International trade and Industry.

3. The Council may require the Government agencies concerned to submit to the Foreign Trade Bureau of the Economic Stabilization Board such data, in addition to the data referred to in the preceding paragraph, as may be required for the formulation of the draft foreign exchange budget.

4. The Foreign Trade Bureau of the Economic Stabilization Board shall formulate the draft foreign exchange budget as follows:

a. The budget for commodity imports shall be classified by item (any imports not suitable for such itemization shall be included in the category of "Miscellaneous Import") and by country of origin while the budget for the invisible trade payments shall be classified by use.

b. The budget shall be classified by currencies.

c. A note shall be attached in case any trade or financial agreement exists.

d. The items of commodities eligible to the allocation of the foreign exchange funds as well as other qualifications shall be clarified.

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(Proceedings)

Article 7. Rules necessary for the proceedings of the Council shall be determined by the Council.

Supplementary Provision:

This Cabinet Order shall be put into force as from the day of its promulgation.