

GENERAL HEADQUARTERS
SUPREME COMMANDER FOR THE ALLIED POWERS
APO 500

AG 004 (26 Jun 50) FIB
SCAPIN 2105

26 June 1950

MEMORANDUM FOR: JAPANESE GOVERNMENT

SUBJECT: Entry Requirements and Business Activities in Japan

1. References and supersessions.

a. Reference is Circular 11, General Headquarters, Supreme Commander for the Allied Powers, subject: Entry Requirements and Business Activities in Japan, 16 June 1950.

b. The following memoranda for the Japanese Government are superseded:

(1) AG 004 (27 Apr 48) ESS/EX, SCAPIN 1961, 14 January 1949, subject: Business Activities of Non-Japanese in Japan.

(2) AG 004 (27 Apr 48) FIB, SCAPIN 1961/1, 21 October 1949, subject: Business Activities of Non-Japanese in Japan.

2. Referenced circular details the conditions:

a. Under which non-occupation personnel may enter Japan, and

b. Under which non-Japanese nationals, foreign-controlled firms and non-resident Japanese nationals other than occupation personnel may conduct themselves and their commercial, professional, and investment activities within Japan.

3. In order to facilitate the restoration of normal economic relationships for the purpose of establishing the Japanese economy on a self-supporting basis, it is desired that the Japanese Government implement the principles set forth in the referenced circular in the following manner:

a. Take the necessary legal steps to assure non-Japanese nationals and firms permitted to engage in business activities in Japan equal and non-discriminatory treatment with Japanese nationals and firms.

b. Receive and approve or disapprove, applications by non-Japanese nationals and foreign controlled firms to engage in business of banking, insurance, communications, transportation, public utilities, professional services, or other businesses as hereafter may be designated. Prior to issuance of any license or disapproval of an application to engage in any of the above-mentioned business activities, the Japanese Government shall submit its proposed action, including application, to the Supreme Commander for the Allied Powers for concurrence. Each license shall contain a provision that licensee

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is not authorized to conduct a business activity with occupation force agencies and personnel involving the transfer of foreign exchange or transfers between convertible accounts without specific written authority of General Headquarters, Supreme Commander for the Allied Powers.

c. Applications by non-Japanese nationals and foreign-controlled firms engaging in business activities involving the admission or dissemination of magazines, books, motion pictures, news and photograph services, and other media of mass communication, and all applications by military personnel and personnel attached to or accompanying the occupation forces and their dependents to engage in business activity will be filed directly with the Supreme Commander for the Allied Powers.

d. Maintain an appropriate system providing for the registration upon entry of all persons entering Japan, except (a) occupation personnel, and (b) persons whose stay in Japan is less than 72 hours. Such registration offices as may be required will be easily accessible to ports of entry into and exit from Japan.

e. Obtain from all persons entering Japan, except (a) occupation personnel and (b) persons entering Japan for less than 72 hours, the following information: Name (both in English and native letters or characters); nationality; race; passport number, date and country of issue; permanent residence; sex; height; weight; color of hair; color of eyes; complexion; build; identifying scars or marks; date and place of birth; name, address and business of employer; country from which approved for entry into Japan; port of entry; date of entry; name of carrier; residence and/or commercial address while in Japan; and such additional information as may be required under this and other applicable regulations. The Japanese Government will forward, within forty-eight (48) hours after entry, to the Supreme Commander for the Allied Powers, a copy of the registration form required from persons entering Japan.

f. Obtain records of all persons exiting from Japan except (a) occupation personnel and (b) persons whose stay in Japan has not exceeded 72 hours, as follows: Name (both in English and native letters or characters), nationality, race, date of departure, destination, name of carrier, passport number and country of issue. A copy of the form executed by persons exiting from Japan will be forwarded to the Supreme Commander for the Allied Powers within forty-eight (48) hours after such departure.

g. Provide commercial entrants and missionaries entering Japan with a copy of referenced circular and obtain and retain receipt therefor. Provide tourists entering Japan with a brochure containing essential tourist information and pertinent rules of conduct.

h. Conduct reasonable inspections of records, or other necessary examinations of businesses for the purpose of discovering whether the business is conducted according to applicable Japanese law and the regulations of the Supreme Commander for the Allied Powers. Supervise compliance, investigate,

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and upon discovery, report to the chief of the nearest Civil Affairs Region of GHQ, SCAP, violations of the provisions of all laws, regulations, licenses or written authorizations issued by the Supreme Commander for the Allied Powers or the Japanese Government to non-Japanese nationals and foreign controlled firms; EXCEPT THAT, in the investigation and enforcement measures heretofore mentioned, the Japanese Government will be limited by the provisions of Memorandum to the Japanese Government, AG 015 (19 Feb 46)IS, subject: Exercise of Criminal Jurisdiction, SCAPIN 756, 19 February 1946, as amended. Whenever the Japanese Government is prevented or restricted from carrying into execution the foregoing directives by the limitations imposed upon the Japanese Government by the provisions of Memorandum to the Japanese Government, AG 015 (19 Feb 46)IS, subject: Exercise of Criminal Jurisdiction, SCAPIN 756, 19 February 1946, as amended, the Japanese Government is directed to request the assistance of the chief of the nearest Civil Affairs Region of General Headquarters, Supreme Commander for the Allied Powers.

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i. Take necessary action to make it a punishable offense for any person to become a party or accessory to illegal transactions as defined in para 34, reference circular.

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j. Receive and either approve, with concurrence by the Supreme Commander for the Allied Powers, or disapprove applications by non-Japanese nationals and foreign controlled firms for validating acquisition from Japanese nationals, from firms in which Japanese nationals or firms have a proprietary interest, or from Japanese Government agencies of property interests or rights in the following categories:

- (1) Acquisition of title to stocks and shares other than acquisition of new stock issues based upon prior valid stock acquisitions.
- (2) Acquisition of title to land and/or residence for business purposes, and to commercial and industrial buildings and installations, and plant and facilities attached thereto. (Land and residences reasonably required by an individual for his full or part time residence are not considered business properties.)
- (3) Leases for periods in excess of five years, mortgages or other hypothecations, and arrangements or options for future acquisition of properties in the categories indicated in subparagraphs (1) and (2) above.
- (4) Acquisition of patents of Japanese origin and rights thereunder.
- (5) (a) Acquisition of rights to a proportion of the profits, sales, sales price or output of an enterprise for a period in excess of one year by transfer of patent

rights or technology; continuing technical or factory management assistance agreements; patent license agreements or otherwise.

- (b) Acquisition of rights to a specified periodical payment covering a period in excess of one year, as consideration for transfer of patent rights or technology; continuing technical or management assistance agreements; patent license agreements or similar contracts.

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k. The Japanese Government, when validating transactions indicated in subparagraph 3j above, will state

- (1) That it has investigated the acquisition of such property interest or right thereby validated and finds the same is not taking place under conditions of fraud, duress or undue influence assignable in any way to the occupation, and
- (2) That adequate budgetary provision has been or will be made in the foreign exchange budget for any foreign exchange remittance abroad licensed or authorized in the acquisition of such property.

1. It is desired that the Japanese Government declare legally void all acquisitions, leases, hypothecations, mortgages, options, and arrangements for future acquisition of properties and rights for which validation is required by referenced Circular 11, which have been or are made after 14 January 1949 and which have not been specifically validated by the Japanese Government with the concurrence of the Supreme Commander for the Allied Powers.

4. Direct communication between the appropriate agencies of the Japanese Government and appropriate agencies of the Supreme Commander for the Allied Powers is authorized for the implementation of this memorandum.

5. Nothing herein contained shall be deemed to affect any right acquired or action taken pursuant to superseded memoranda to the Japanese Government, SCAPIN 1961, 14 January 1949, and SCAPIN 1961/1, 21 October 1949.

FOR THE SUPREME COMMANDER:

K. B. Bush

K. B. BUSH,
Brigadier General, USA,
Adjutant General.