

System before the amendment

- The basic principle: free investment
- Certain types of foreign direct investment (FDI) require post-investment reporting. FDI to the designated business sectors is subject to prior-notification for screening.



The need to further promote FDI conducive to sound economic growth

Global trend to strengthen measures for FDI screening from the national security viewpoint

- Adoption of FIRRMA in the United States (Aug. 2018)
- Adoption of the new EU regulation (Mar. 2019)



The amendment aims to:

- Further promote foreign direct investment conducive to sound economic growth; and
- Ensure minimal review of FDI that could pose risks to national security.

Highlights of the Amendment

Further promote FDI conducive to sound economic growth

1. Introduction of exemption scheme for Prior-notification for Stock Purchases (PN-SP)

- Investors who comply with certain conditions are exempted from PN-SP requirement.
- Investor's compliance with the conditions for exemption is secured through post-investment reports and, if necessary, government actions to issue recommendations/orders for compliance.

Ensure minimal review of FDI that could pose risks to national security

2. Reviewing the scope of prior-notification

- Threshold for PN-SP with regard to the acquisition of listed company's stocks is lowered from 10% to 1% (Under the Japanese Company Act, shareholders who own 1% or more of voting rights are entitled to propose an agenda to general shareholders' meetings.)
- Prior-notification is required for the following shareholders' actions:
 - ✓ Becoming board members of the investee company
 - ✓ Proposing transfer or disposition of investee company's business activities in the designated business sectors

3. Enhancing information exchange among relevant domestic authorities and with foreign counterparties

外為法改正の狙い

現行制度

- 投資自由の大原則の下、一定の対内直接投資につき事後報告
- 指定業種につき事前届出



健全な投資の一層の促進

安全保障等の観点からの対応強化の流れ

- 2018年8月米国で新法成立
- 2019年3月欧州でEU新規則成立



経済の健全な発展につながる対内直接投資を一層促進するとともに、
国の安全等を損なうおそれがある投資に適切に対応。

⇒メリハリのある対内直接投資制度を目指す。

問題のない投資の一層の促進

1. 取得時事前届出免除制度の導入

- 一定の基準の遵守を前提に株式取得時の事前届出を免除。
- 事後報告、勧告・命令により、免除基準の遵守を担保。

国の安全等を損なうおそれのある投資への適切な対応

2. 事前届出の対象の見直し

- 上場会社の取得時事前届出の閾値引下げ（現行10%→1%：会社法上の株主総会における議題提案権の基準）
- 役員への就任及び指定業種に属する事業の譲渡・廃止について、行為時事前届出を導入

3. 国内外の行政機関との情報連携の強化