situation so requires. (2) A "prior designation" procedure under the Foreign Exchange and Foreign Trade Control Law has also been operative since July 21, 1959. For a foreign investment so designated by the authorities at the time the investor acquires an equity investment (stocks, debentures, and beneficiary certificates) or concludes a technological assistance contract, the remittance of earnings and principal will be automatically approved, subject to the condition that the remittance can be deferred temporarily if Japan's balance-of-payments situation so requires.

Proceeds of liquidated stocks, debentures, and beneficiary certificates may be remitted after two years from the date of acquisition. Proceeds from sales of stocks, debentures, and beneficiary certificates sold within two years from the date of acquisition are deposited in Nonresident Yen Deposit Accounts, balances on which can be transferred to another nonresident in return for foreign currency. Rights to the allotment of newly issued stocks may be sold if the issuing company gives its consent, or the value of the rights can be realized by selling the stocks with rights and purchasing the same stocks without rights or purchasing other stocks. (This constitutes a preferential treatment of foreign investors since, under the Japanese commercial code, the right to the allotment of newly issued stocks may not be sold.)

Investors who obtain a license or approval to acquire an equity investment with yen from a Nonresident Yen Deposit Account may have the income remitted and the principal credited to a Nonresident Yen Deposit Account.

All other capital transactions and transfers having an exchange control aspect are subject to individual license, although in practice, for most transactions, an exchange license is not required for foreign investment in Japan if the investor desires neither remittance of income or principal nor credit to a Nonresident Yen Deposit Account.

Transfers of capital abroad and investments abroad by residents are subject to approval.

Securities acquired with approval under the Foreign Investment Law may be imported and exported freely.

Belgium-Luxembourg

All capital transactions may be carried out freely through the free market or by settlement in Belgian or Luxembourg francs through the Financial Account of a nonresident. In addition, incoming capital may be received in convertible currencies through the official market or in Belgian or Luxembourg francs to the debit of a Convertible Account. The exchange control authorities may guarantee the repatriation of approved foreign investments made in Belgium-Luxembourg. In that case, capital brought in through the official market may be repatriated through that market. All transactions in securities by residents or nonresidents are free, but the financial settlement of such transactions must conform to the general regulations.

United Kingdom

Transfers of resident capital to countries outside the Sterling Area require approval, which normally is granted for commercial investment that promises to produce clear and commensurate benefits to U.K. export earnings and thus to the balance of payments in the short term. Permission may be obtained to invest foreign currency capital receipts in marketable securities expressed in foreign currency, but any such receipts in a specified currency (see footnote 2) which have not been invested within six months must be sold to an authorized bank.

Repayments abroad due to a nonresident in respect of matured capital obligations are permitted freely; otherwise, repayments non-resident-owned capital may be credited only to Blocked Accounts (see section on Nonresident Accounts, above). However, residents of Denmark, Norway, and Sweden may transfer their funds freely to their respective countries. Persons resident outside the Sterling Area who make direct investments in the United Kingdom must provide one of the specified currencies or sterling from an External Account. Capital directly invested by a nonresident after January 1, 1950, in projects approved by the exchange control authorities may be repatriated at any time, together with profits thereon.

Nonresidents may buy sterling securities on a recognized stock exchange in the United Kingdom against payment from an External Account; or, if the securities cannot be redeemed under any contractual provision within five years from the date of purchase and are not optionally payable in dollars or, in respect of securities issued on or after June 23, 1961, are not optionally payable in any other for-