ARRANGEMENT BETWEEN THE ASSOCIATION OF EAST ASIAN RELATIONS AND THE INTERCHANGE ASSOCIATION FOR THE MUTUAL COOPERATION ON THE LIBERALIZATION, PROMOTION AND PROTECTION OF INVESTMENT

Article 1.

THE ASSOCIATION OF EAST ASIAN RELATIONS AND THE INTERCHANGE ASSOCIATION (hereinafter referred to as "both Sides"), having regard to paragraphs 3(1) and 3(7) of the Arrangement between the Association of East Asian Relations and the Interchange Association for the Establishment of the Respective Overseas Offices of 26 December 1972, shall cooperate with each other in order to obtain necessary consent from the relevant authorities with regard to the matters as contained in Articles 2 through 26 below.

Article 2.

For the purposes of this Arrangement,

(1) The term "investment" means every kind of asset owned or controlled, directly or indirectly, by an investor, which has the characteristics of an investment, including:

(a) an enterprise and a branch of an enterprise; (b) shares, stocks or other forms of equity participation inan enterprise, including rights derived therefrom;

(c) bonds, debentures, loans and other forms of debt, including rights derived therefrom;

(d) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts;

(e) claims to money and to any performance under contract having a financial value;

(f) intellectual property rights, including copyrights and related rights, patent rights and rights relating to utility models, trademarks, industrial designs, layout-designs of integrated circuits, new varieties of plants, trade names, indications of source or geographical indications and undisclosed information;

(g) rights conferred pursuant to laws and regulations or contracts such as concessions, licenses, authorizations and permits, including those for the exploration and exploitation of natural resources; and

(h) any other tangible and intangible, movable and immovable property, and any related property rights, such as leases, mortgages, liens and pledges.

An investment includes the amounts yielded by investments, in particular, profit, interest, capital gains, dividends, royalties and fees. A change in the form in which assets are invested does not affect their character as investments.

(2) The term "investor" means the following natural person and enterprise that seeks to make, is making, or has made investments in the Area of the other Side.

(a) With respect to the Interchange Association:

(i) a natural person having the nationality of Japan; and

(ii) an enterprise which is a legal person or any other entity duly constituted or organized under the applicable laws and regulations in Japan, whether for profit or not, and whether private or not, including any corporation, trust, partnership, sole proprietorship, joint venture, association, organization or company.

(b) With respect to the Association of East Asian Relations:

(i) a natural person having the citizenship of Taiwan; and

(ii) an enterprise which is a legal person or any other entity duly constituted or organized under the applicable laws and regulations in Taiwan, whether for profit or not, and whether private or not, including any corporation, trust, partnership, sole proprietorship, joint venture, association, organization or company.

(3) The term "investment activities" means establishment, acquisition, expansion, operation, management, maintenance, use, enjoyment and sale or other disposal of investments.

(4) The term "Area" means:

(a) with respect to the Interchange Association, Japan; and

(b) with respect to the Association of East Asian Relations, Taiwan.

(5) The term "existing" means being in effect on the date of entry into force of this Arrangement.

(6) The term "freely usable currency" means freely usable currency as defined under the Articles of Agreement of the International Monetary Fund.

(7) The term "the WIO Agreement" means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh, April 15, 1994,

Article 3.

1. Investors of either Side and their investments shall within the Area of the other Side be accorded treatment no less favorable than the treatment accorded in like circumstances to investors of the other Side and to their investments with respect to investment activities.

2.Notwithstanding paragraph 1, it is understood that special formalities may be prescribed in connection with investment activities of investors of the other Side, provided that such special formalities do not impair the substance of the treatments which both Sides consider under this Arrangement to be accorded to such investors.

Article 4.

1. Investors of either Side and their investments shall within the Area of the other Side be accorded treatment no less favorable than the treatment accorded in like circumstances to investors of any other countries or regions and to their investments with respect to investment activities.

2. For greater certainty, the treatment referred to in paragraph 1 does not include treatment accorded to investors of any other countries or regions and to their investments in regard to dispute settlement mechanisms that are contained in international treaties or agreements.

Article 5.

1.Investments of investors of either Side shall within the Area of the other Side be accorded treatment in accordance with international law, including fair and equitable treatment and full protection and security.

2.The operation, management, maintenance, use, enjoyment, and sale or other disposal of investments of investors of either Side shall within the Area of the other Side not be impaired in any way by arbitrary measures.

3.Any obligation which the authorities in the Area of either Side may have entered into with regard to investments and investment activities of investors of the other Side shall be observed.

Article 6.

Investors of either Side shall within the Area of the other Side be accorded treatment no less favorable than the treatment accorded in like circumstances to investors of the other Side or investors of any other countries or regions with respect to access to the courts of justice and administrative tribunals and agencies in all degrees of jurisdiction, both in pursuit and in defense of such investors' rights.

Article 7.

Any of the following requirements shall not be imposed or enforced within the Area of either Side, as a condition for

investment activities of an investor of the other Side:

(a) to export a given level or percentage of goods or services;

(b) to achieve a given level or percentage of local content;

(c) to purchase, use or accord a preference to goods produced or services provided in the Area of that Side, or to purchase goods or services from natural or legal persons or any other entity in the Area of that Side;

(d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with investments of that investor;

(e) to restrict sales of goods or services in the Area that investments of that investor produce or provide by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;

(f) to restrict the exportation or sale for export;

(g) to appoint, as executives, managers or members of boards of directors, individuals of any particular nationality or citizenship;

(h) to transfer technology, a production process or other proprietary knowledge to a natural or legal person or any other entity in the Area of that Side, except when the requirement:

(i) is imposed or enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition laws; or

(ii) concerns the transfer of intellectual property rights which is undertaken in a manner not inconsistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement (hereinafter referred to as "the TRIPS Agreement");

(i) to locate the headquarters of that investor for a specific region or the world market in the Area of that Side;

(j) to hire a given number or percentage of employees with any particular nationality or citizenship;

(k) to achieve a given level or value of research and development in the Area of that Side; or

(l) to supply one or more of the goods that the investor produces or the services that the investor provides to a specific region or the world market, exclusively from the Area of that Side.

2. Notwithstanding Paragraph 1, it is understood that, in connection with investment activities of an investor of either Side, the receipt or continued receipt of an advantage may be conditioned on compliance with any of the requirements set forth in subparagraphs 1(g) through (1).

Article 8.

1. It is understood that Articles 3, 4 and 7 do not cover:

(a) any existing non-conforming measure that is maintained by the following, as set out in the Schedule of each Side in Annex I:

(i) the central authorities;

(ii) a prefecture of Japan; or

(iii) a municipality, city, or county of Taiwan;

(b) any existing non-conforming measure that is maintained by a local authority other than referred to in sub-paragraphs (a) (ii) and (a) (iii) above;

(c) the continuation or prompt renewal of any non-conforming measure referred to in subparagraphs (a) and (b); or

(d) an amendment or modification to any non-conforming measure referred to in subparagraphs (a) and (hb), provided that the amendment or modification does not decrease the conformity of the measure as it existed immediately before the amendment or modification with Articles 3, 4 and 7.

2. It is understood that Articles 3, 4 and 7 do not cover any measure adopted or maintained with respect to sectors, sub-

sectors or activities set out in the Schedule of each Side in Annex II.

3. In the Area of either Side, under any measure adopted after the date of entry into force of this Arrangement and covered by the relevant Schedule in Annex II, an investor of the other Side shall not be required to sell or otherwise dispose of its investments that exist in the Area of the former Side wherein the measure is adopted at the time the measure becomes effective, by reason that the investor is the investor of the other Side.

4. Either Side shall, in cases where an amendment or a modification is made to any existing non-conforming measure set out in its Schedule in Annex I or where any new or more restrictive measure is adopted with respect to sectors, sub-sectors, or activities set out in its Schedule in Annex II after the date of entry into force of this Arrangement, prior to the implementation of the amendment or modification or the new or more restrictive measure, or in exceptional circumstances, as soon as possible thereafter:

(a) notify the other Side of detailed information on such amendment or modification, or such measure; and

(b) hold, upon request by the other Side, consultations in good-faith with that other Side with a view to achieving mutual satisfaction.

5. Where appropriate, efforts shall be taken in the Area of either Side to reduce or eliminate the reservations specified in the relevant Schedules in Annexes I and II respectively.

6. It is understood that Articles 3, 4 and 7 do not cover any measure covered by the exceptions to, or derogations from, obligations under Articles 3 and 4 of the TRIPS Agreement, as specifically provided in Articles 3 through 5 of the TRIPS Agreement.

7. It is understood that Articles 3, 4 and 7 do not cover any measure adopted or maintained in the Area of either Side with respect to:

(a) government procurement;

(b) subsidies or grants provided by the authorities or an enterprise owned or controlled by the authorities in the Area of either Side, including loans, guarantees and insurance supported by the authorities.

Article 9.

1. The laws, regulations, administrative procedures and administrative rulings and judicial decisions of general application in the Area of either Side shall be promptly published, or otherwise made publicly available.

2. Either Side shall, upon request by the other Side, promptly respond to specific questions and provide information on matters set out in paragraph 1, including that relating to contract which the authorities in the Area of that Side enter into with regard to investment.

3. Paragraphs 1 and 2 shall not be construed so as to oblige either Side to disclose confidential information, the disclosure of which would impede law enforcement of the authorities in the Area of either Side or otherwise be contrary to the public interest, or which would prejudice privacy or legitimate commercial interests.

Article 10.

Except in cases of emergency or of purely minor nature, a reasonable opportunity shall be provided for comments by the public in accordance with the laws and regulations in the Area of either Side before the adoption, amendment or repeal of regulations of general application that affect any matter covered by this Arrangement.

Article 11.

Where a natural person of either Side applies for the entry, sojourn and residence in the Area of the other Side for the purpose of investment activities therein, a sympathetic consideration shall be given to the application of such natural person, in accordance with the applicable laws and regulations in the Area of the other Side.

Article 12.

Expropriation or any measure equivalent to expropriation (hereinafter referred to as "indirect expropriation") shall not be taken with respect to investments of investors of either Side, except:

(a) for a public purpose;

(b) in a non-discriminatory manner;

(c) upon payment of prompt, adequate and effective compensation pursuant to paragraphs 4 through 6; and

(d) in accordance with due process of law and Article 5.

2. Indirect expropriation referred to in paragraph 1 refers to an action or a series of actions by the authorities, which has an effect equivalent to expropriation without formal transfer of title or outright seizure.

3. The determination of whether an action or a series of actions by the authorities of either Side, in a specific fact situation, constitutes an indirect expropriation requires a case-by-case, fact-based inquiry that considers, among other factors:

(a) the economic impact of the action, although the fact that such action by the authorities has an adverse effect on the economic value of an investment, standing alone, does not establish that an indirect expropriation has occurred;

(b) the extent to which the action interferes with distinct, reasonable expectations arising out of investment;

(c) the character of the action; and

(d) the objectives of the action, including whether such action is taken for legitimate public objectives, such as protecting the public welfare, safety and health, and protecting and preserving the environment.

4. The compensation shall be equivalent to the fair market value of the expropriated investments at the time when the expropriation was publicly announced or when the expropriation occurred, whichever is the earlier. The fair market value shall not reflect any change in value occurring because the expropriation had become publicly known earlier.

5. The compensation shall be paid without delay and shall include interest at a commercially reasonable rate, taking into account the length of time until the time of payment. It shall be effectively realizable, freely transferable and shall be freely convertible into freely usable currencies, at the market exchange rate prevailing on the date of expropriation.

6. Without prejudice to the provisions of Article 17, the investor affected by expropriation shall have a right of access tothe courts of justice or administrative tribunals or agencies in the Area where the expropriation has taken place to seek a prompt review of the investor's case and the amount of compensation in accordance with the principles set out inthis Article.

Article 13.

1. Investors of either Side that have suffered within the Area of the other Side loss or damage relating to their investments due to armed conflict or a state of emergency such as revolution, insurrection, disturbance or any other similar event, shall be accorded treatment, as regards restitution, indemnification, compensation or any other settlement, that is no less favorable than that accorded to the investors of the other Side or to investors of any other countries or regions, whichever is more favorable to those investors suffered.

2. Any payment as a means of settlement referred to in paragraph 1 shall be effectively realizable, freely transferable, and freely convertible at the market exchange rate prevailing at the time of payment into freely usable currencies.

Article 14.

1. If any authority or its designated entity in the Area of either Side makes a payment to any investor of that Side under an indemnity, guarantee, or insurance contract, pertaining to investments of such investor in the Area of the other Side, the following shall be recognized:

(a) the assignment to such authority or entity of any right or claim of the investor on account of which such payment is made; and

(ob) the right of such authority or entity to exercise by virtue of subrogation any such right or claim to the same extent as the original right or claim of the investor.

2. Payment to be made to any authority or entity in the Area of either Side, by virtue of the assignment of a right or claim and the assignment of a payment as provided for in paragraph 1, shall be made in accordance with the principles as set out in the relevant provisions in Articles 12, 13 and 15.

Article 15.

1. All transfers relating to investments in the Area of either Side of an investor of the other Side shall be allowed to be freely made into and out of the Area of that Side without delay. Such transfers shall include, in particular, though not exclusively:

(a) the initial capital and additional amounts to maintain or increase investments;

(b) profits, interest, capital gains, dividends, royalties, fees and other current incomes accruing from investments;

(c) payments made under a contract including loan payments in connection with investments;

(d) proceeds of the total or partial sale or liquidation of investments;

(e) earnings and remuneration of personnel engaged from the Area of the other Side who works in connection with investments in the Area of the former Side;

(f) payments made in accordance with Articles 12 and 13; and

(g) payments arising out of the settlement of a dispute under Article 17.

2. Transfers shall be made without delay in freely usable currencies at the market exchange rate prevailing on the date of each transfer.

3. Notwithstanding paragraphs 1 and 2, it is understood that a transfer may be delayed or prevented through equitable, non-discriminatory and good-faith application of the laws and regulations relating to:

(a) bankruptcy, insolvency or the protection of the rights of creditors;

(b) issuing, trading or dealing in securities, futures, options or derivatives;

(c) criminal or penal offences;

(d) reports or record keeping of transfers of currency or other monetary instruments; or

(e) ensuring compliance with orders or judgments in adjudicatory proceedings.

Article 16.

Referring to Article 1, either Side shall accord sympathetic consideration to, and shall afford adequate opportunity for consultations regarding, such representations as the other Side may make with respect to any matter affecting the interpretation, application or implementation of this Arrangement.

Article 17.

1. For the purposes of this Article, an investment dispute is a dispute between the authorities in the Area of either Side and an investor of the other Side that has incurred loss or damage with respect to investments and investment activities of the investor in the Area of the former Side.

2. An investment dispute shall, as far as possible, be settled amicably through consultations or negotiations between the investor who is a party to an investment dispute (hereinafter referred to in this Article as "disputing investor") and the authorities concerned in the Area of the other Side that isa party to the investment dispute (hereinafter collectively referred to in this Article as "the disputing parties").

3. It is confirmed that nothing in this Article prevent a disputing investor from seeking administrative or judicial settlement within the Area of the other Side.

4. If an investment dispute cannot be settled through such consultations or negotiations within three months from the date on which the disputing investor requested in writing the authorities concerned for consultations or negotiations, the investment dispute, subject to the mutual consent between the disputing parties, may be submitted to an international conciliation or arbitration, including arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law, arbitration under Rules of Arbitration of the International Chamber of Commerce and any arbitration in accordance with other arbitration rules agreed upon by the disputing parties.

5. Either Side shall facilitate that the authorities concerned in the Area of that Side consents to the submission of an

investment dispute by a disputing investor to a conciliation or arbitration set forth in paragraph 4 chosen by the disputing investor.

6. No investment disputes may be submitted to a conciliation or arbitration set forth in paragraph 4, if more than three (3) years have elapsed since the date on which the disputing investor acquired or should have first acquired, whichever is the earlier, the knowledge that the disputing investor had incurred loss or damage with respect to its investments and investment activities in the Area of the other Side.

7. (a) In the event that an investment dispute has been submitted to courts of justice or administrative tribunals or agencies or any other binding dispute settlement mechanism in the Area of the other Side, any conciliation or arbitration set forth in paragraph 4 can be sought only if the disputing investor withdraws, in accordance with the laws and regulations in the Area of the other Side, its claim from such domestic remedies before the final decision is made therein.

(b) In the event that an investment dispute has been submitted to a conciliation or arbitration as set forth in paragraph 4, the same investment dispute shall not be brought to the courts of justice, administrative tribunals or agencies, or any other binding dispute settlement mechanism in the Area of the other Side.

8. In the event that, pursuant to paragraph 4, an investment dispute has been submitted to an arbitration and that an arbitral tribunal has been established:

(a) the arbitral tribunal shall decide the issues in dispute in accordance with this Arrangement;

(b) unless the disputing parties agree otherwise, the arbitration shall be held in the Area of either Side or a country that is a party to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done at New York, June 10, 1958 (hereinafter referred to in this Article as "the New York Convention");

(c) the decision or the award rendered by the arbitral tribunal shall be binding upon the disputing parties, and the decision or the award will be executed in accordance with the applicable laws and regulations as well as relevant international law concerning the execution which is in force in the place where such execution is sought; and

(d) the remedy under the decision or the award rendered by the arbitral tribunal shall be limited to monetary damages or restitution of property.

9. The claim that is submitted to an arbitration pursuant to paragraph 4 shall be considered to arise out of a commercial relationship or transaction for purpose of Article 1 of New York Convention with respect to recognition and enforcement within the Area of either Side.

10. Where an investment dispute has been submitted to an international conciliation or arbitration, both Sides shall, to the extent possible, be informed of any relevant information including the issues in the dispute, state of play of the proceedings and other substantive and procedural matters.

11. Either Side may, upon written notice to the disputing parties, provide any relevant information or make submissions on a question of interpretation of this Arrangement, to the conciliation body or arbitral tribunal.

Article 18.

1. It is understood that the following measures may be adopted or enforced in the Area of either Side, to the extent that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the investor of the other Side, or a disguised restriction on investments of the investor of the other Side;

(a) measures necessary to protect human, animal or plant life or health;

(b) measures necessary to protect public morals or to maintain public order;

Note: The public order exception may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

(c) measures necessary to secure compliance with the laws or regulations which are not inconsistent with the provisions of this Arrangement including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contract;

(ii) the protection of the privacy of the individual in relation to the processing and dissemination of personal data and the protection of confidentiality of personal records and accounts; or

(iii) safety;

(d) measures considered to be necessary for the protection of the essential security interests:

(i) taken in time of war, or armed conflict, or other emergency; or

(ii) relating to the implementation of policies or international agreements respecting the non-proliferation of weapons; or

(e) measures taken with the aim of contributing to the efforts under the United Nations Charter for the maintenance of international peace and security.

2. In cases where any measure as referred to in paragraph 1 is taken in the Area of either Side, that Side shall, prior to the entry into force of the measure or as soon thereafter as possible, provide the other Side with information regarding the following elements of the measure:

(a) sector and sub-sector or matter;

(b) any provisions of this Arrangement affected by the measure;

(c) legal source of the measure;

(d) succinct description of the measure; and

(e) purpose of the measure.

Article 19.

1. It is understood that, in either Side, measures not conforming with Article 3 relating to cross-border capital transactions and Article 15 may be adopted or maintained:

(a) in the event of serious balance-of-payments and external financial difficulties or threat thereof within the Area of that Side; or

(b) in cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious difficulties for macroeconomic management, in particular, monetary and exchange rate policies in the Area of that Side.

2. Measures referred to in paragraph 1:

(a) shall be consistent with the Articles of Agreement of the International Monetary Fund;

(b) shall not exceed those necessary to deal with the circumstances set out in paragraph 1;

(c) shall be temporary and shall be eliminated as soon as conditions permit;

(d) shall be promptly notified to the other Side; and

(e) shall avoid unnecessary damages to the commercial, economic and financial interests of the investors of the other Side.

Article 20.

It is understood that measures may be taken in the Area of either Side relating to financial services for prudential reasons, including measures for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by an enterprise supplying financial services, or to ensure the integrity and stability of the financial system, provided that such measures are not used as a means of undermining the investment activities of an investor of the other Side.

Article 21.

1. In the Area of either Side, intellectual property rights shall be protected adequately and effectively, and the intellectual property protection system shall be administered in an efficient and transparent manner. For this purpose, both Sides shall promptly consult with each other at the request of either Side, so that the factors which are recognized as having adverse effects to investments of investors may be removed.

2. It is understood that this Arrangement does not affect the exercise of rights or the implementation of obligations under multilateral agreements in respect of protection of intellectual property rights in force in the Area of either Side.

3. Notwithstanding Article 4, it is understood that the treatment accorded to investors of any other countries or regions and to their investments in the Area of either Side by virtue of multilateral agreements in respect of protection of intellectual property rights may not be extended to investors of the other Side and to their investments, when such multilateral agreements are not in force in the Area of the other Side.

Article 22.

Nothing in this Arrangement covers taxation measures.

Article 23.

1. Both Sides shall establish a Joint Committee (hereinafter referred to as "the Committee") with a view to accomplishing the objectives of this Arrangement. The functions of the Committee shall be:

(a) to discuss the implementation and operation of this Arrangement;

(b) to discuss the exceptional measures maintained, amended, modified or adopted in the Area of either Side as referred to in paragraph 1 of Article 8, for the purpose of contributing to the reduction or elimination of such exceptional measures;

(c) to discuss the exceptional measures adopted or maintained in the Area of either Side as referred to in paragraph 2 of Article 8, for the purpose of encouraging favorable conditions for investors; and

(d) to discuss any other investment-related matters concerning this Arrangement.

2. The Committee may, as necessary, make appropriate decisions or recommendations by consensus to both Sides for the more effective functioning or the attainment of the objectives of this Arrangement.

3. The Committee shall be composed of representatives of each Side. The Committee may, upon mutual consent of both Sides, invite representatives of relevant entities with the necessary expertise relevant to the issues to be discussed, and hold joint meetings with the business sector.

4. The Committee shall determine its own rules of procedure to carry out its functions.

5. The Committee may establish sub-committees and delegate specific tasks to such sub-committees.

6. The Committee and the sub-committees established pursuant to paragraph 5 shall meet upon the request of either Side.

Article 24.

Either Side recognizes that it is inappropriate to encourage investment by investors of the other Side and of any other countries or regions by relaxing the health, safety or environmental measures, or by lowering the labor standards.

Article 25.

1. It is understood that the benefits of this Arrangement may be denied by either Side to an investor of the other Side that is an enterprise of the other Side and to its investments, if the enterprise is owned or controlled by an investor of any other country or region and the authorities in the Area of the denying Side adopts or maintains measures with respect to the other country or region:

(a) that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits were accorded to the enterprise or to its investments; or

(b) that prohibit or restrict investment in accordance with the existing laws and regulations in the Area of the denying Side.

2. It is understood that the benefits of this Arrangement may be denied by either Side to an investor of the other Side that is an enterprise of the other Side and to its investments, if that enterprise is owned or controlled by an investor of any other country or region and that enterprise has no substantial business activities in the Area of the other Side.

Note 1: For the purposes of this Article, unless otherwise stipulated in the existing laws and regulations referred to in sub-paragraph 1(b), an enterprise is:

(a) "owned" by an investor if more than fifty (50) percent of the equity interest in it is owned by the investor; and

(b) "controlled" by an investor if the investor has the power to name a majority of its directors or otherwise to legally direct its actions.

Note 2: Either Side, when there arises a change in conditions for the denial of benefits as referred to in paragraphs 1 and 2, shall notify the other Side of the change in advance. In that event, both Sides shall consult with each other with a view to reviewing and amending, if necessary, this Article.

Article 26.

1. This Arrangement shall enter into force on the date that both Sides inform each other that respective procedures have been completed. It shall remain in force for a period of ten years after its entry into force and shall continue in force unless terminated as provided in paragraph 6 of this Article.

2. This Arrangement also covers all investments of investors of either Side acquired in the Area of the other Side in accordance with the applicable laws and regulations inthat Area prior to the entry into force of this Arrangement.

3. It is understood that claims arising out of events which occurred or had been settled prior to its entry into force shall be put outside the scope of this Arrangement.

4. The Annexes to this Arrangement shall forman integral part of this Arrangement.

5. Either Side may at any time request consultations with the other Side for the purpose of amending this Arrangement.

6. Either Side may, by giving one year's advance notice in writing to the other Side, terminate this Arrangement.

This Arrangement has been made in the English language. In witness whereof, the representative of the Association of East Asian Relations and the representative of the Interchange Association, signed this Arrangement in Taipei, on September 22, 2011.

FOR THE ASSOCIATION OF EAST ASIAN RELATIONS:

FOR THE INTERCHANGE ASSOCIATION:

Annex I. Schedule of the association of east asian relations reservations for measures referred to in paragraph 1 of article 8

1. This Schedule sets out with respect to the Association of East Asian Relations, pursuant to paragraph 1 of Article 8, the existing measures that are not covered by the following provisions of this Arrangement:

(a) Article 3 ;

(b) Article 4 ; or

(c) Article 7 .

2. Each Schedule entry sets out the following elements:

(a) "**Sector**" refers to the general sector for which the entry is made;

(b) "**Sub-Sector**" refers to the specific sector for which the entry is made;

(c) "**Industry Classification**" refers, where applicable, and only for transparency purposes, to the activities covered by the entry according to the relevant classification codes;

(d) "**Provisions Concerned**" specifies the provisions referred to in paragraph 1 for which the entry is made;

(e) "**Level of Authority**" indicates the level of the authorities maintaining the measure(s) for which the entry is made;

(f) "**Measures**" identifies the existing laws, regulations, or other measures for which the entry is made. A measure cited in the Measures element:

(i) means the measure as amended, continued, or renewed as of the date of entry into force of this Arrangement, and

(ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

(g) "**Description**" illustrates, with regard to the provisions referred to in paragraph1, the non-conforming aspects of the existing measures for which the entry is made.

3. In the interpretation of each entry, all elements of the entry shall be considered. Each entry shall be interpreted in the light of the relevant provisions of this Arrangement for which the entry is made. The "Measures" element shall prevail over all the other elements.

1.

Sector: All sectors

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 4

Level of Authority: Central

Measures: Article 17, 18, 19 and 20 of the Land Law of June 14, 2006.

Description: Land used for forests reserves, fisheries and aquaculture, hunting reserves, desalination fields, mineral deposits areas, water resources, military purposes, and land adjacent to the frontiers shall not be leased to and transferred to foreigners, or used as collateral to foreigners.

Japanese nationals (natural and legal persons) shall have the same rights to acquire land in Taiwan as those accorded to the citizens of Taiwan acquiring land in Japan in accordance with the applicable laws and regulations in Japan, provided that such acquisition of land in Taiwan by Japanese nationals is consistent with the purposes and uses specified in Article 19 of the Land Act and not subject to the restrictions of Article 17 of the same Act.

2.

Sector: Mining

Sub-Sector: Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 6 of Mining Law of December 31, 2003

Description: Mining concessions are granted only to natural persons having citizenship of Taiwan or legal persons incorporated and registered with the authorities of Taiwan.

3.

Sector: Construction Services

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 4

Level of Authority: Central and regional

Measures: Article 69 of Construction Industry Act of May 26, 2010

Description: Unless otherwise prohibited by law or any convention or treaty signed by the authorities of Taiwan, if the contract amount for a public construction project provided by the authorities of Taiwan exceeds 1 billion NT dollars, the

foreign construction company shall perform the contracting project together with a local general constructor.

4.

Sector: Services incidental to energy distribution

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central and regional

Measures: Article 16 of the Statute for Regulating Privately-owned Utilities of April 26, 2000 Article 4 of Nature Gas Act of February 1, 2011

Description: Privately-owned utilities companies shall not have foreign stockholders or mortgage their property to foreigners for funds unless having been approved by the Executive Yuan of Taiwan.

Foreign equity in public gas utilities should be less than 50% in total.

Any person without citizenship of Taiwan is not qualified as a promoter, director or supervisor of the company's board of directors.

Electricity transmission and distribution services are franchised only to an enterprise owned by the authorities of Taiwan.

5.

Sector: Education services

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central and regional

Measures: Article 82 of Private School Law of January 16, 2008 Article 9 of Supplementary and Continuing Education Law of June 23, 2004

Description: Foreigners or foreign legal persons recognized by Japanese law may not establish primary school and junior high school within Taiwan, in accordance with Private School Law.

The president of the institution providing adult education (CPC 924) and other education and training services (CPC929) is under the competency of the educational authorities of municipality, county or city. Some local educational authorities require that the president should be a citizen of Taiwan.

6.

Sector: Transport services

Sub-Sector: Internal waterway transport, and cabotage

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 4 of Shipping Law of January 30, 2002 Articles 8 of the Law of Ships of December 8, 2010

Description: Foreign vessels may not navigate between ports of Taiwan to transport passengers and cargos unless a franchise is granted.

Foreign vessels shall not stay in any harbor or port other than those announced by the authorities of Taiwan as international ports, unless otherwise specially approved by such authorities or for seeking shelter.

7.

Sector: Transport services

Sub-Sector: Maritime Transportation Services and the Operation of vessels carrying the flag Taiwan

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 9 of Shipping Law of January 30, 2002 Article 5 of the Law of Ships of December 8, 2010 Articles 5, 25 and 25-1 of the Seafarer Law of January 30, 2002

Description: The Regulation of Permission and Administration for Employing Foreign Seafarers of August 12, 2011 The authorities of Taiwan may adopt or maintain any measure relating to the provision of maritime transportation services and the operation of its vessels, including but not limited to the following:

1. Any person desiring to engage in maritime transportation services as a vessel carrier shall carry the flag of Taiwan and produce relevant documents to the authorities.

2. The term "vessels carrying the flag of Taiwan" means ships which are approved by and registered in the shipping administration authority pursuant to relevant laws of Taiwan. A ship may apply for such registration if:

(a) The ship is owned by the authorities of Taiwan,

(b) The ship is owned by the citizens of Taiwan, or

(c) The ship is owned by any of the following companies, which are incorporated under the laws of Taiwan, with principal offices situated within Taiwan:

(1) An unlimited company, of which all shareholders are citizens of Taiwan.

(2) A limited company, of which at least half of the capitals are owned by citizens of Taiwan and the director authorized to represent such company is a citizen of Taiwan. However, capitals owned by citizens of Taiwan shall exceed half of total capitals if the ships of such company are engaged in international voyages.

(3) A joint company, of which all shareholders with unlimited liabilities are citizens of Taiwan.

(4) A company limited by shares, of which the chairman of the board and at least half of the directors are the citizens of Taiwan and at least half of the capitals are owned by citizens of Taiwan. However, in case the ships of such company are engaged in international voyages, its capitals owned by citizens of Taiwan shall exceed half of total capitals, and the number of directors who are citizens of Taiwan shall exceed half of the total number of directors.

(5) A legal person, which is organized under the laws of Taiwan, with main office situated within Taiwan and at least two-thirds of its members and the statutory representative of such an entity being the citizens of Taiwan.

3. Requirements for hiring foreign seafarers are as follows:

(1) A Taiwanese ship owner or operator hiring foreign seafarers shall apply to the competent authority for permission.

(2) For Class A crewman, deck department and engineering department may each hire one foreign seafarer to take the position other than captain and chief engineer

(3) For Class B crewman, the number of foreigners shall not exceed two thirds of the total number of Class B crewman of a ship.

(4) Seafarers shall not be less than 18 years of age.

(5) The employment of foreign seafarers shall be limited to one year, which may be extended once for another one year.

8.

Sector: Transport services

Sub-Sector: Road transport services

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 35 of Highway Law of January 27, 2010

Description: Foreigners or unincorporated legal entities of Taiwan may not invest in bus transportation providers, urban bus transportation providers, tour bus transportation providers and taxicab transportation providers within Taiwan.

9.

Sector: Transport services

Sub-Sector: Air transport services General aviation services (specialty air services): enterprises for compensation or hire engaging in tourism, survey, photographing, fire-fighting and searching, paramedic, hauling and lifting, spraying and dusting, drone-hauling service, business charter, as well as those authorized and other than air transport of passengers, cargo and mail engaged by the civil air transport enterprises Airport ground handling services Catering services

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 10, 11, 49, 65 (referring to 49), 74-1, 77 (referring to 74-1) and 81 of Civil Aviation Act of January 23, 2009

Description: Only air carriers that are registered as air carriers of Taiwan may operate aircraft in domestic air service within Taiwan(cabotage) and may provide international scheduled and non-scheduled air service as air carriers of Taiwan.

Only aircraft that is registered in Taiwan is allowed to conduct specialty air services (general aviation) within Taiwan.

Only corporations of Taiwan are allowed to provide airport ground handling services and catering services in Taiwan. However, if otherwise provided for under a treaty or other written arrangement, a foreign air carrier may self-handle its ground services and catering services in Taiwan.

An air carrier or corporation of Taiwan means:

1. an unlimited company with the entire body of its shareholders being citizens of Taiwan.

2. a limited company with over 50% of capital owned by citizens or legal persons of Taiwan and represented by directors who are citizens of Taiwan.

3. a company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of Taiwan.

4. a company limited by shares with over 50% of its total shares owned by citizens or legal persons of Taiwan, whose chairman and over 50% of the directors are citizens of Taiwan; provided that no single foreigner may hold more than 25% of its total shares.

An aircraft that has "the registration of Taiwan" means it is owned and registered by:

1. citizens of Taiwan.

2. agencies of the authorities of Taiwan.

3. the following legal persons who have a principal office in Taiwan in accordance with laws of Taiwan:

(a) Unlimited company completely owned by citizens of Taiwan.

(b) Limited company with over 50% of capital owned by citizens or legal persons of Taiwan and represented by directors who are citizens of Taiwan.

(c) Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are the citizens of Taiwan.

(d) Company limited by shares with over 50% of its total shares owned by citizens of Taiwan or legal persons of Taiwan, whose chairman and over 50% of the directors are citizens of Taiwan; provided that no single citizen of a foreign country may hold more than 25% of its total shares.

(e) Other legal persons whose representatives are citizens of Taiwan.

In addition, any foreign aircraft purchased from a foreign country on conditional terms by citizens and legal persons of Taiwan or agencies of the authorities of Taiwan pending entitlement of ownership, or any such aircraft leased from a foreign country for a period more than six months, may obtain "the registration of Taiwan " if its registration in the foreign country has been duly de-registered, provided the purchaser or lessee is responsible for operating such aircraft and employing the required personnel and equipment.

10.

Sector: Transport services

Sub-Sector: Airfield management and operation

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 10 and 29 of Civil Aviation Act of January 23, 2009

Description: The airfield may be established by legal person who has a principal office in Taiwan in accordance with laws of Taiwan and comply with the following rules:

1. Unlimited company with the entire body of its shareholders being citizens of Taiwan.

2. Limited company with over 50% of capital owned by citizens or legal persons of Taiwan and represented by directors who are citizens of Taiwan.

3. Company formed by shareholders of both limited and unlimited liabilities, whose unlimited liability shareholders are citizens of Taiwan.

4. Company limited by shares with over 50% of its total shares owned by citizens or legal persons of Taiwan, whose chairman and over 50% of the directors are citizens of Taiwan; provided that no single foreigner may hold more than 25% of its total shares.

5. Other legal persons whose representatives are citizens of Taiwan.

The operators and managers of an airfield shall be citizens of Taiwan.

11.

Sector: Transport services

Sub-Sector: Airport management and operation

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 28 of Civil Aviation Act of January 23, 2009

Description: In addition to airports owned by the authorities of Taiwan, private companies limited by shares is also allowed to establish and operate airports, provided that over 50% of its total shares shall be owned by citizens or legal persons of Taiwan, whose chairman and over 50% of the directors are citizens of Taiwan; and no single foreigner may hold more than 25% of its total shares.

12.

Sector: Communications

Sub-Sector: Telecommunications Services

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 12 of Telecommunications Act of July 11, 2007 Article 5 of Regulations for Administration on Satellite Communications Services of June 4, 2010

Description: The chairman of the Board of a Type I telecommunications enterprise shall be a citizen of Taiwan.

The total direct shareholding by foreigners may not exceed 49%, and the sum of direct and indirect shareholding by foreigners may not exceed 60%.

The percentage of indirect shareholding by foreigners shall be calculated by multiplying the percentage of shareholding by legal persons of Taiwan in the Type I telecommunications enterprise by the percentage of shareholding or capital paid by foreigners in the said domestic legal persons.

A Type I telecommunications enterprise shall be a company limited by shares incorporated pursuant to the Company Law.

The total direct shareholding by foreigners in Chunghwa Telecom Co., Ltd. may not exceed 49%, and the sum of direct and indirect shareholding by foreigners in Chunghwa Telecom Co., Ltd. may not exceed 55%, which is subject to change by announcement promulgated by the authority in charge.

Foreign Mobile Satellite Service (MSS) operators shall be able to provide service by entering into a cooperation contract with a domestic satellite communication operator or International Network Business of Fixed Network Telecommunications Services. The domestic satellite communication operator or International Network Business of Fixed Network Telecommunications Service agent shall represent to promote MSS within Taiwan.

In accordance with the provision of Paragraph 1, Article 5 of Regulations for Administration on Satellite Communications Services, domestic satellite communication operators or International Network Business of Fixed Network Telecommunications Services who promote MSS in Taiwan, on behalf of foreign MSS operators, shall provide a service contract with users, and shoulder contract obligations together with foreign MSS operators.

13.

Sector: Communication services

Sub-Sector: Radio and Television Services

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 5 and 19 of Broadcasting and Television Act of June 14, 2006 Article 19, 20, 21 and 43 of Cable Radio and Television Act of January 29, 2007 Article 9, 10 and 15 of Satellite Broadcasting Act of December 24, 2003

Description:

1. Foreign investments are subject to the following restrictions:

(a) Foreign investment in radio broadcasting and television stations is prohibited.

(b) Foreign investment in cable radio and television systems shall be less than the following thresholds:

(1) total shares directly held by foreign shareholders: 20%.

(2) total direct and indirect foreign investment: 60%.

(c) Foreign investment in satellite broadcasting business shall be less than 50% of total shares issued.

2. Domestically produced programs shall not be less than the following thresholds:

(a) Terrestrial radio and television: 70%.

(b) Cable radio and television: 20%.

The above-mentioned percentages shall be calculated on the basis of the total number of hours of program transmission on the activated channels of a system operator.

3. The chairman and at least two-thirds of the board of directors of a company operating a cable radio and television system shall be citizens of Taiwan.

4. The organization of a satellite broadcasting business shall be a company limited by shares or a foundation.

5. The organization operating a cable radio and/or television system shall be a company limited by shares.

6. The authorities of Taiwan and political parties, as well as foundations established with their endowments, and those commissioned by them, shall not directly or indirectly invest in satellite broadcasting businesses, radio broadcasting and television, and cable radio and television systems.

7. The following shall apply to cable radio and television system operators, their affiliates, and their directly or indirectly controlled system operators: the number of subscribers shall not exceed one-third of the total number of subscribers in Taiwan; the number of system operators shall not exceed one-half of the total number of system operators in an administrative district; however, this limitation shall not apply to an administrative district where there is only one system operator; and the number of system operators shall not exceed one-third of the total number of system operators in Taiwan.

8. A foreign satellite broadcasting business that engages in service operations in Taiwan shall establish a branch office in Taiwan. A foreign satellite broadcasting business that engages in program supply operations in Taiwan shall set up a branch office or agent in Taiwan.

14.

Sector: Health related and social services

Sub-Sector: Hospital services

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 41-3 of Physicians Act of May 13, 2009 Article 41-3 of Pharmacists Act of January 26, 2011 Article 58-2 of Physical Therapists Act of January 29, 2007 Article 58-1 of Occupational Therapists Act of January 29, 2007 Article 60-1 of Medical Laboratory Technologists Act of January 29, 2007 Article 60-1 of Medical Radiology Technologists Act of January 29, 2007 Article 55 of Dietitians Act of May 5, 2004 Article 55 of Dental Technicians Act of January 23, 2009 Article 17 and 55-3 of Nurses Act of January 29, 2007 Article 59 of Midwives Act of July 2, 2003 Article 57 of Hearing Specialists Act of January 23, 2009 Article 57 of Speech Therapists Act of July 2, 2008 Article 60 of Psychologists Act of November 21, 2011 Article 3, 4, 5, 43 and 50 of Medical Care Act of May 20, 2009

Description:

1. Medical services Medical services should be provided by persons with medical licenses issued by the authorities of Taiwan. Only after obtaining license to practice, foreigners may only be employed in a hospital, but are not allowed to set up clinics, pharmacy, physical therapy clinic, occupational therapy clinic, clinical laboratory, medical radiation clinic, dental laboratory, nursing institution, midwifery institution, hearing therapy clinic, speech therapy clinic, psychological therapy clinic, psychological counseling clinic.

2. Hospital services

(a) Medical care corporate:

The directors of medical care corporate shall be limited to nine to fifteen persons, in which no less than one-third shall be licensed physicians or other medical personnel.

No more than one-third of the total number of directors shall be foreigners. No more than one-third of the total number of directors shall be blood relatives or relatives by marriage of three degrees or closer of other directors.

Directors shall personally attend the board of directors meeting, and shall not authorize an agent to represent him/her.

(b) Medical care corporation:

The directors of medical care corporations shall be limited to three to nine persons, in which no less than two-thirds shall be physicians or other medical personnel.

No more than one-third of the total number of directors shall be foreigners. Furthermore, foreigners shall not be the chairperson.

Medical care corporations shall establish supervisors, the number of which shall not exceed one-third of the number of directors.

Supervisors shall not serve concurrently as a director or employee.

Directors shall personally attend the board of directors meeting, and shall not authorize an agent to represent him/her.

3. Nursing services

Foreigners and overseas Chinese who pass the nursing personnel qualification examination and acquire the nursing personnel certificate can practice the functions of nursing personnel in Taiwan.

Foreigners and overseas Chinese who pass the nursing personnel qualification examination and acquire the nursing personnel certificate and senior nurse qualification can open a nursing institution in Taiwan.

Private nursing institution subordinate to hospital should be established only by medical care corporate or medical care corporations, and at least two-thirds of the board of directors should be the citizens of Taiwan. Foreigners shall not be the chairperson of medical care corporations.

15.

Sector: Fisheries and Aquaculture

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 5 of the Fisheries Law of January 9, 2008

Description: Only the citizens of Taiwan may qualify as fishery operators (including those engaging in aquaculture business), hereunder unless a foreign national may obtain the approval from the central competent authority to operate fisheries in cooperation with any fishery operator of Taiwan.

16.

Sector: Agriculture, Animal Husbandry, and Forestry

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 7 of the Statute for Investment by Foreign Nationals of November 19,1997 Negative List for Investment by

Overseas Chinese and Foreign Nationals of May 16, 2008

Description: Foreign investment is not allowed in forestry, wood logging and hunting industries.

Other industries in which foreign investment is conditionally restricted are listed below. Applications will be subject to approval by the Council of Agriculture (COA) of Taiwan, and determined on a case-by-case basis:

1. Agriculture: cultivation on rice, dry land food crops, special crops, vegetables, fruits, mushrooms, sugar-cane, flowers and other agricultural and horticultural products;

2. Animal husbandry: raising of cattle, hogs, chickens, ducks and other animal husbandry.

17.

Sector: Public Welfare Lottery

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 4

Level of Authority: Central

Measures: Article 4 of Public Welfare Lottery Issue Act of May 28, 2008

Description: The public welfare lottery shall be issued by a bank appointed by the competent authority. The term "Bank" shall mean an organization formed and registered in accordance with the provisions of the Banking Act of Taiwan (Not including a bank organized and incorporated in accordance with the laws of a foreign country, which bank has been recognized by the authorities of Taiwan and registered for business as a branch office within Taiwan, in accordance with the Company Law and the Banking Act).

18.

Sector: Recreational, Cultural and Sporting Services

Sub-Sector: Library, Archive, Museum and other Cultural Services

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central

Measures: Article 46 of Cultural Heritage Preservation Act of February 5, 2005 Article 10 of Regulation Governing the Excavation Requirements of Historic Site of December 30, 2005

Description: Foreigners may not investigate and excavate historical sites within Taiwan. Provided that with the prior approval by the authorities of Taiwan, foreigners may cooperate with domestic scientific research organizations or professional institutions to conduct such investigation and excavation.

Upon conducting a joint excavation project carried out by foreigners and domestic scientific research organizations or professional institutions, the representative of the domestic counterpart will invariably be the designated chief coordinator of the project. All original data thereby accumulated, such as the unearthed artifacts, etc., must be well preserved. Carrying or transporting such data abroad is strictly forbidden. Provided that with the prior approval by the authorities of Taiwan, they can be carried abroad to conduct necessary scientific analyses.

19.

Sector: Business Services

Sub-Sector: Professional Services

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central and regional

Measures: Articles 24 and 25 of Notary Law of December 30, 2009 Articles 4 of the Land Administration Agent Act of June 15, 2011

Description:

1. A notary public shall be a citizen of Taiwan.

2. Only citizens of Taiwan, who has obtained the certificate of "Land Administration Agent" can act as a Land Administration Agent.

20.

Sector: Recreational, Cultural and Sporting Services

Sub-Sector: Recreational Services

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 7 of The Statute for Investment by Foreign Nationals of November 19, 1997 Negative List for Investment by Overseas Chinese and Foreign Nationals of May 16, 2008

Description: Foreigners are not allowed to invest in entertainment establishments which offer personalized attention by a host or hostess of a sexually arousing or seductive nature. Host/hostess services in Taiwan are offered in certain types of coffee/tea shops, ballrooms, dance halls wine shops, bars, karaoke rooms, etc.

21.

Sector: Financial services

Sub-Sector: Banking and other financial services

Industry Classification:

Provisions Concerned: Article 3 Article 4

Level of Authority: Central

Measures: Article 2, 3, 5, 14, 19-1, 19-2 and 19-3 of the Regulations Governing Foreign Bank Branches and Representative Offices of December 11, 2009 Article 4 of Standards Governing the Establishment of Commercial Banks of February 4, 2010 Article 3 of Offshore Banking Act of June 9, 2010 Article 4 and 7 of the Regulation for the Implementation of Offshore Banking Act of December 2, 2003

Description: **Foreign bank branches and offshore banking branches:**

1. Establishment:

A foreign bank that meets the following criteria may apply for the approval for the establishment of a branch within Taiwan:

1. The bank is free of any major regulatory violation within the last five years;

2. The bank is ranked, by capital or assets, among the top five hundred banks in the world within one year prior to application, or has business dealings with the banks and/or enterprises in Taiwan in an aggregate amount of more than US$1,000,000,000 in three calendar years prior to application, of which no less than US$180,000,000 have been in the form of medium or long term credits. Where there are special provisions in an economic and trade agreement, or other written arrangement between Taiwan and the home country of the foreign bank, such special provisions shall prevail.

2. Working Capital:

A foreign bank that has been approved to establish a branch in Taiwan shall allocate a minimum operating capital of NT$250,000,000 if the bank plans to accept deposit of less than NT$1,500,000 from individuals and will have more than five hundred such accounts, and the total amount of deposits of less than NT$1,500,000 from individuals exceeds 1% of total amount of New Taiwan Dollar (NTD) deposits accepted by the bank. A foreign bank shall allocate a minimum operating capital of NT$200,000,000 for its branch if the bank does not plan to offer retail deposit business or if its retail deposit business will not reach the thresholds set forth above.

A foreign bank stipulated in Article 3, Items 2 and 3 of the Offshore Banking Act, after having been allowed to establish an offshore banking branch, shall allocate working capital for its operation in Taiwan at a minimum amount of US$2,000,000.

Article 3 of the Offshore Banking Act

The following types of banks may, through their head offices, apply to the competent authorities for obtaining the approval of the establishment of an offshore banking branch with a separate set of accounts to conduct international banking activities:

1. Foreign banks authorized by the CBC to engage in foreign exchange businesses within Taiwan.

2. Foreign banks authorized to have a representative office in Taiwan.

3. Reputable foreign banks approved by the competent authorities.

4. Domestic banks authorized by the CBC to engage in foreign exchange businesses.

3. NTD Credit Extension:

The NTD credit that a foreign bank branch may extend to a same legal person, same concerned party or same affiliated entity shall be limited to NT$7,000,000,000 respectively or the amount calculated according to the restrictions set forth by the competent authority pursuant to Paragraph 1, Article 33-3 of the Banking Act, whichever is higher. The NTD credit that a foreign bank branch may extend to a same natural person shall be limited to NT$1,500,000,000 respectively or the amount calculated according to the restrictions set forth by the competent authority pursuant to Paragraph 1, Article 33-3 of the Banking Act, whichever is higher.

The term "net worth" calculated according to the authorization provisions that apply mutatis mutandis to the branches of foreign banks shall mean the net worth of a foreign bank branch in the previous fiscal year following final settlement of accounts.

4. Eligible Assets:

For a foreign bank branch that accepts deposit of less than NT$1,500,000 from individuals and has more than five hundred such accounts, and the total amount of deposits of less than NT$1,500,000 from individuals exceeds 1% of total amount of NTD deposits accepted by the branch, such branch's total holding of eligible assets shall not be less than 40% of the total amount of NTD deposits accepted by the branch. For a foreign bank branch that does not offer retail deposit business or if its retail deposit business does not reach the thresholds set forth above, such bank's total holding of eligible assets shall not be less than 15% of the total amount of NTD deposits accepted by the branch.

5. Financial Ratios:

For a foreign bank branch that accepts deposit of less than NT$1,500,000 from individuals and has more than five hundred such accounts, and the total amount of deposits of less than NT$1,500,000 from individuals exceeds 1% of total amount of NTD deposits accepted by the bank, such branch's ratio of NTD deposits to outstanding NTD loans shall not be less than 50%.

For a foreign bank branch that accepts deposit of less than NT$1,500,000 from individuals and has more than five hundred such accounts, and the total amount of deposits of less than NT$1,500,000 from individuals exceeds 1% of total amount of NTD deposits accepted by the branch, such branch's outstanding NTD loans shall not be more than twenty times the branch's net worth in the previous fiscal year following final settlement of accounts. For a foreign bank branch that does not offer retail deposit business or if its retail deposit business does not reach the thresholds set forth above, such branch's outstanding NTD loans shall not be more than thirty times the branch's net worth in the previous fiscal year following final settlement of accounts.

For a foreign bank branch that accepts deposit of less than NT$1,500,000 from individuals and has more than five hundred such accounts, and the total amount of deposits of less than NT$1,500,000 from individuals exceeds 1% of total amount of NTD deposits accepted by the branch, such branch's outstanding balance of credit extensions other than loans shall not be

more than fifteen times the branch's net worth in the previous fiscal year following final settlement of accounts. For a foreign bank branch that does not offer retail deposit business or if its retail deposit business does not reach the thresholds set forth above, such branch's outstanding balance of credit extensions other than loans shall not be more than twenty times the branch's net worth in the previous fiscal year following final settlement of accounts. foreign bank branch that does not offer retail deposit business or if its retail deposit business does not reach the thresholds set forth above, such branch's outstanding balance of credit extensions other than loans shall not be more than twenty times the branch's net worth in the previous fiscal year following final settlement of accounts.

Foreign bank representative offices:

A foreign bank that meets the following criteria may apply to establish a representative office in Taiwan:

1. The foreign bank is free of any major regulatory violation within the last three years;

2. The foreign bank is ranked, by capital or assets, among the top one thousand banks in the world within one year prior to application, or has business dealings with the banks and enterprises of Taiwan in an aggregate amount of more than US$300,000,000 in three calendar years prior to application. Where there are special provisions in an economic and trade agreement, or other written arrangement between Taiwan and the home country of the foreign bank, such special provisions shall prevail.

Foreign bank subsidiaries:

A foreign financial institution that fulfills the following events, and merges or takes over generally the entire business, and assets and liabilities of a local bank may apply to establish a commercial bank:

1. The foreign financial institution is permitted by the competent authority for the establishment of a commercial bank according to Article 23 of the Financial Holding Company Act of Taiwan.

2. After the foreign financial institution merges or takes over generally the entire business, and assets and liabilities of a troubled financial institution, it shall, pursuant to laws and orders, an agreement(s), or a written arrangement(s) establish a commercial bank within a certain period of time.

The conditions provided to other WTO members as set out below are not applicable to this Arrangement:

1. Section C, List of the authorities of Taiwan, Annex VI of the FTA between the Republic of Panama and the authorities of Taiwan; and

2. Section B (the authorities of Taiwan), Specific Commitments, Annex 12.09.2 of the FTA between the Republic of Nicaragua and the authorities of Taiwan.

22.

Sector: Financial Services

Sub-Sector: Securities

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 2, 4, 10,16,17,18, 21,23 of Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals of March 23, 2006 Article35-1 of GreTai Securities Market Rules Governing Securities Trading on the GTSM of August 1, 2011

Description:

1. Overseas Chinese and foreign nationals are only allowed to invest in offshore beneficial interest certificates, domestic securities, overseas corporate bonds, overseas depositary receipts, or overseas stocks, and are not allowed to designate (trust relationship is not included) domestic securities investment consulting enterprises or securities investment trust enterprises to conduct discretionary investment services.

2. The investment scope of overseas Chinese and foreign nationals outside Taiwan shall be limited to those set forth in Article 4 of the above-mentioned Regulations. Certain industries limit the percentage of equity holdings by overseas Chinese

or foreign nationals according to other applicable acts or regulations.

3. Where funds have been transferred to Taiwan for the purchase of any of the securities listed in Article 4 of the above-mentioned regulations but the funds have not yet been invested, the Financial Supervisory Commission (FSC) of the authorities of Taiwan can limit the use of such funds after consultation with the competent authority for foreign exchange business. The current limitation is 30% of total amount of the funds transferred into Taiwan.

4. An overseas Chinese or foreign national outside Taiwan invests in securities of Taiwan shall designate a custodian bank, which is approved by the FSC to offer custodial services, to act as its custodian institution and designate a local agent to apply for the opening of a New Taiwan Dollar account. The agent designated to open such account must be a securities firm or financial institution of Taiwan.

5. Besides, overseas Chinese and foreign nationals invest in securities of Taiwan shall apply to the Taiwan Stock Exchange Company (TWSE) for registration.

6. Overseas Chinese or foreign nationals outside Taiwan holding shares in a public company shall appoint an local agent or representative to exercise the voting rights and shall not deliver proxies to any solicitors of proxies or proxy agents.

7. An overseas Chinese or foreign national outside Taiwan shall not engage in securities margin trading, sell securities which it does not hold, extend loans or provide collateral, or entrust custody of securities to any legal person or individual other than a custodian institution or centralized securities depository.

8. The FSC may, when necessary, require an overseas Chinese or foreign national outside Taiwan to submit a list of beneficiary of the investment capital, the amount of the capital, its source, and related information.

9. Overseas Chinese or foreign nationals invest in the OTC market, if any such securities are subject to investment holding ratio set by the respective competent authorities for the relevant industries, they shall be traded through the OTC central trading systems, instead of negotiating price privately.

23.

Sector: Financial Services

Sub-Sector: Securities firms and securities services enterprises

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 28, 29 and 33-1 of Standards Governing the Establishment of Securities Firms of June 16, 2009

Description: A foreign securities firms establishing a branch office in Taiwan shall meet the following requirements:

1. The applicant possesses sufficient international securities business experience and financial health in the business type being applied for;

2. The applicant has not been sanctioned administratively by its home country's securities regulatory authorities within the most recent two years.

A foreign securities firm applying for the establishment of a branch office within Taiwan should deposit operating capital which shall not be less than specific amount of related regulations.

A foreign securities firm intending to establish a representative office in Taiwan shall meet the following qualifications:

1. The applicant possesses sufficient experience in international securities business;

2. The applicant has not been sanctioned suspension of business or more severe penalty administratively by its home country's securities regulatory authorities within the most recent year.

24.

Sector: Financial Services

Sub-Sector: Futures

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Directions for Futures Trading by Overseas Chinese and Foreign Nationals of September 21, 2010

Description: An overseas Chinese or foreign national when engaging in futures trading shall:

1. Apply to the Taiwan Futures Exchange (TAIFEX) or the Taiwan Stock Exchange Corporation (TWSE) of Taiwan and submit relevant documents for registration;

2. Mandate an agent or representative within Taiwan to open an account, exercise rights, apply for foreign exchange settlement, file and pay taxes on his or her behalf;

3. Appoint a bank approved by the FSC to provide custodial services, to act as its custodian institution, to handle matters related to futures trading, such as clearing, settlement and reporting of relevant information;

4. An overseas Chinese or foreign national outside Taiwan that makes domestic futures trades shall do so in foreign currencies approved by TAIFEX of Taiwan, and may not convert the funds into New Taiwan Dollars; the balance in New Taiwan Dollars resulting from the cumulative realized New Taiwan Dollar profits gained from futures trading may not exceed NT$300 million for any individual trader or any individual omnibus account. If the limit set forth is exceeded, the agent of the overseas Chinese or foreign national shall appoint a futures commission merchant within five business days to make a conversion into US dollars. An overseas Chinese or foreign national outside Taiwan that engages in foreign futures trades shall do so in a foreign currency and may not convert the funds into New Taiwan Dollars.

25.

Sector: Financial Services

Sub-Sector: Futures commission merchants and futures services enterprises

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 19, 20 and 40 of Standards Governing the Establishment of Futures Commission Merchants of October 2, 2007

Description: A foreign futures commission merchant establishing a branch office in Taiwan shall meet the following requirements:

1. Qualified to be a clearing member of a foreign futures exchange that has been publicly announced by the FSC of Taiwan.

2. The applicant possesses international futures business experience in the type of business for which approval is being requested, and is of sound financial standing.

3. Within the previous year, it has not been punished in its home jurisdiction by the relevant futures regulatory authority, or by a self-regulatory organization.

A foreign futures commission merchant, a foreign securities firm or a foreign banking institution shall, in accordance with the type of business approval it is seeking, allocate the specified amount for operational use by its business office in Taiwan.

The FSC has not allowed foreign futures advisory enterprises, foreign managed futures enterprises (e.g. CTA in Japan) and foreign futures trust enterprises (e.g., CPO in Japan) or foreign futures fund management companies to establish a branch in Taiwan.

The FSC has not allowed foreign futures fund management companies to raise a futures (trust) fund in Taiwan.

26.

Sector: Financial Services

Sub-Sector: Insurance and insurance related services

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures: Article 6, 7 and 27-1 of the Regulations for Establishment and Administration of Foreign Insurance Enterprises of February 23, 2009

Description:

• branch

A foreign insurance institution applying for permission to establish a branch within Taiwan to conduct insurance business shall at least meet the following criteria:

1. Having had sound business performance and shown financial soundness in the most recent three years; and

2. Free of any record of penalty against it for material regulatory violation in the last three years as proven by a certificate issued by the competent authorities in the applicant's home country. Where the applicant has been established for less than three years, the applicant must be free of any record of penalty against it for material regulatory violation since its establishment.

Where a foreign insurance institution referred to in subparagraph 1 of the preceding paragraph has been established for less than three years, the institution must have a representative office set up within Taiwan for at least one year and meet one of the following criteria:

1. Having a paid-in capital of more than NT$2 billion.

2. Having a credit rating of at least A-from Standard & Poor's Corp., at least A3 from Moody's Investor Service, at least A from Fitch Ratings Ltd., at least twA+ from Taiwan Ratings Corporation, or an equivalent rating or better from any other credit rating agency recognized by the competent authorities.

The head office of a foreign insurance enterprise shall set aside minimum working capital for each branch in accordance with its business plan, amounting to not less than NT$50 million, and post bond with the treasury authority in an amount equal to 15 percent of its working capital.

• representative office

A foreign insurance institution applying for permission to set up a representative office within Taiwan shall at least meet the following criteria:

1. Having a credit rating of at least A-from Standard & Poor's Corp., at least A3 from Moody's Investor Service, at least A from Fitch Ratings Ltd., at least twA+ from Taiwan Ratings Corporation, or an equivalent rating or better from any other credit rating agency recognized by the competent authorities; and

2. Free of any record of penalty against it for material regulatory violation in the most recent three years as proven by a certificate issued by the competent authorities in the applicant's home country. Where the applicant has been established for less than three years, the applicant must be free of any record of penalty against it for material regulatory violation since its establishment.

A foreign insurance institution may set up only one representative office in Taiwan.

27.

Sector: Financial Services

Sub-Sector: Insurance Intermediation

Industry Classification:

Provisions Concerned: Article 3

Level of Authority: Central

Measures:

1. Article 40, 43 and 45 of the Regulations Governing Insurance Agents of February 25, 2011

2. Article 41, 44 and 46 of the Regulations Governing Insurance Brokers of February 25, 2011

3. Article 38, 41 and 43 of the Regulations Governing Insurance Surveyors of February 25, 2011

Description:

1. Where necessary, the competent authorities may approve the establishment of branch offices within Taiwan by a foreign insurance agent, broker and surveyor company to operate the same kind of business operated in its home country.

2. The minimum working capital of a branch office established by a foreign insurance agent, broker and surveyor company within Taiwan shall be NT$3 million and a bond shall be posted at 15 percent of the working capital, provided, the amount posted may not be less than NT$600,000.

3. A foreign insurance agent, broker and surveyor company establishing a branch office to operate business within Taiwan shall employ at least one person holding an agent's practice license of the same type to practice the business.

4. A marine insurance surveyor may employ at least one person who holds a foreign practice license of the same type or a certification document that is recognized by the competent authority to practice the business.

Annex II. Schedule of the association of east asian relations reservations for measures referred to in paragraph 2 of article 8

4. This Schedule sets out with respect to the Association of East Asian Relations, pursuant to paragraph 2 of Article 8, the reservations made by the Association of East Asian Relations with respect to specific sectors, sub-sectors, or activities for which the existing measures may be maintained, or new or more restrictive measures may be adopted that do not conform with the following provisions of this Arrangement:

(d) Article 3;

(e) Article 4; or

(f) Article 7.

5. Each Schedule entry sets out the following elements: (a) "**Sector**" refers to the general sector for which the entry is made;

(b) "**Sub-Sector**" refers to the specific sector for which the entry is made;

(c) "**Industry classification**" refers, where applicable, and only for transparency purposes, to the activities covered by the entry according to the relevant industry classification codes;

(d) "**Provisions Concerned**" specifies the provisions referred to in paragraph 1 for which the entry is made;

(e) "**Description**" illustrates the scope of the sector, sub-sector, or activities covered by the entry; and

(f) "**Existing Measures**" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector, or activities covered by the entry.

6. In the interpretation of each entry, all elements of the entry shall be considered. The "Description" element shall prevail over all the other elements.

1.

Sector: Social Services

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: The authorities of Taiwan may adopt or maintain any measure with respect to the provision of law enforcement and correctional services, and the following services to the extent they are social services established or maintained for a public purpose: social welfare (including but not limited to social relief and assistance, welfare services, employment for citizens, social securities or insurances, medical and health care), primary education and lower secondary education.

2.

Sector: Sectors related to native populations

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: The authorities of Taiwan may adopt or maintain any measure according rights or preferences to native populations.

3.

Sector: Games of Luck and Chance

Sub-Sector:

Industry Classification:

Provisions Concerned: Articles 3 Articles 4 Article 7

Description: The authorities of Taiwan may adopt or maintain any measure relating to the operation of games of luck and chance, and of activities involving bets.

4.

Sector: All sectors

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: The authorities of Taiwan may adopt or maintain any measure with respect to the rights or preferences granted to minorities with social or economical disadvantages.

5.

Sector: All Sectors

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 4

Description: The authorities of Taiwan may adopt or maintain measure that accords differential treatment to countries under a treaty or other written arrangement in force prior to the date of entry into force of this Arrangement.

The authorities of Taiwan may adopt or maintain any measure that accords differential treatment to countries under a treaty or other written arrangement in force after the date of entry into effect of this Arrangement, involving:

1. Aviation;

2. Fisheries;

3. Maritime matters, including salvage; or

4. Financial services.

6.

Sector: Postal Services

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3

Measures: Article 6 of the Postal Act of July 10, 2002

Description: Business of delivering letters, postcards or other correspondence is reserved to the Chunghwa Post Co., Ltd., which is a company owned by the authorities of Taiwan. According to the Article 6 of the Postal Act of Taiwan, apart from Chunghwa Post and others so entrusted, no others may engage in the business of delivering letters, postcards or other correspondence.

With the exception of delivery notices connected with shipments, no forwarding agency may deliver mail as described in the preceding paragraph.

7.

Sector: The following Private Participation in Infrastructure Projects: 1. transportation facilities and common conduit; 2.environmental pollution prevention facilities; 3. sewerage, water supply and water conservancy facilities; 4. sanitation and medical facilities; 5. social and labor welfare facilities; 6. cultural and education facilities; 7. major facilities for tour-site; 8. power facilities and public gas and fuel supply facilities; 9. sport facilities; 10. parks facilities; 11. major industrial, commercial and hi-tech facilities; 12. development of new town; 13. agricultural facilities.

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 4 Article 7

Level of Authority: Central and Regional

Measures: Article 3 of the Act for Promotion of Private Participation in Infrastructure Projects of October 31, 2001; Articles 2 to 19-1 of the Enforcement Rules of the Act for Promotion of Private Participation in Infrastructure Projects of June 7, 2010.

Description: The authorities of Taiwan may adopt or maintain any measure with respect to concessions relating to Article 3 of the Act for Promotion of Private Participation in Infrastructure Projects and Articles 2 to 19-1 of the Enforcement Rules of the Act for Promotion of Private Participation in Infrastructure Projects, as well as any renewals of re-negotiations or existing concessions relating thereto.

Annex I. Schedule of the interchange association. reservations for measures referred to in paragraph 1 of article 8

1. This Schedule sets out with respect to the Interchange Association, pursuant to paragraph 1 of Article 8, the existing measures that are not covered by the following provisions of this Arrangement:

(a) Article 3;

(b) Article 4; or

(c) Article 7.

2. Each schedule entry sets out the following elements:

(a) "Sector" refers to the general sector for which the entry is made;

(b) "Sub-Sector" refers to the specific sector for which the entry is made;

(c) "Industry Classification" refers, where applicable, and only for transparency purposes, to the activities covered by the

entry according to the relevant industry classification codes. In this regard, "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007;

(d) "Provisions Concerned" specifies the provisions referred to in paragraph 1 for which the entry is made;

(e) "Level of Authority" indicates the level of the authorities maintaining the measure(s) for which the entry is made;

(f) "Measures" identifies the existing laws, regulations or other measures for which the entry is made. A measure cited in the "Measures" element:

(i) means the measure as amended, continued, or renewed as of the date of entry into force of this Arrangement; and

(ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

(g) "Description" illustrates, with regard to the provisions referred to in paragraph 1, the nonconforming aspects of the existing measures for which the entry is made.

3. In the interpretation of each entry, all elements of the entry shall be considered. Each entry shall be interpreted in the light of the relevant provisions of this Arrangement for which the entry is made. The "Measures" element shall prevail over all the other elements.

4. For the purposes of this schedule, when the term "foreign" is employed, it refers to something belonging to or coming from, or to characteristics of, other country or region than Japan.

1.

Sector: Agriculture, Forestry and Fisheries (Plant Breeder's Right)

Sub-Sector:

Industry Classification: JSIC 0119 Miscellaneous crop farming JSIC 0243 Tree seed gathering and forest nursery services JSIC 0413 Seaweed aquaculture JSIC 0415 Seed aquaculture

Provisions Concerned: Article 3 Article 4

Level of Authority: Central Authority

Measures: Seeds and Seedlings Law (Law No. 83 of 1998), Article 10

Description: A foreign person who has neither a domicile nor residence (nor the place of business, in the case of a legal person) in Japan cannot enjoy a plant breeder's right or related rights except in any of the following cases:

(a) where the country or region of which the person is a national or citizen or the country or region in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a contracting party to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991;

(b) where the country or region of which the person is a national or citizen or the country or region in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a contracting party to the International Convention for the Protection of New Varieties of Plants of December 2, 1961, as Revised at Geneva on November 10, 1972, and on October 23, 1978(hereinafter referred to in this Annex as "the 1978 UPOV Convention"), or a country or region in relation with which Japan shall apply the 1978 UPOV Convention in accordance with paragraph (2) of Article 34 of the 1978 UPOV Convention, and further provides the protection for plant genus and species to which the person's applied variety belongs; or

(c) where the country or region of which the person is a national or citizen provides Japanese nationals with the protection of varieties under the same condition as its own nationals or citizens (including a country or region which provides such protection for Japanese nationals under the condition that Japan allows enjoyment of the plant breeder's right or related rights for the nationals or citizens of that country or region), and further provides the protection for plant genus and species to which the person's applied variety belongs.

2.

Sector: Finance

Sub-Sector: Banking

Industry Classification: JSIC 622 Banks, except central bank JSIC 631 Financial institutions for small-businesses

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Deposit Insurance Law (Law No. 34 of 1971), Article 2

Description: The deposit insurance system only covers financial institutions which have their head offices within the jurisdiction of Japan. The deposit insurance system does not cover deposits taken by branches of foreign banks.

3.

Sector: Heat Supply

Sub-Sector:

Industry Classification: JSIC 3511 Heat supply

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in heat supply industry in Japan.

4.

Sector: Information and Communications

Sub-Sector: Telecommunications

Industry Classification: JSIC 3700 offices primarily engaged in managerial operations JSIC 3711 Regional telecommunications, except wire broadcast telephones JSIC 3731 Services incidental to telecommunications

Provisions Concerned: Article 3 Article 7

Level of Authority: Central Authority

Measures: Law Concerning Nippon Telegraph and Telephone Corporation (Law No. 85 of 1984), Articles 6 and 10

Description:

1. Nippon Telegraph and Telephone Corporation may not enter the name and address in its register of shareholders if the aggregate of the ratio of the voting rights directly and/or indirectly held by the persons set forth in subparagraphs (a) through (c) reaches or exceeds one third:

(a) a natural person who does not have Japanese nationality;

(b) a foreign government or authority or its representative; and

(c) a foreign legal person or a foreign entity.

2. Any natural person who does not have Japanese nationality may not assume the office of director or auditor of Nippon Telegraph and Telephone Corporation, Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation.

5.

Sector: Information and Communications

Sub-Sector: Telecommunications and Internet Based Services

Industry Classification: JSIC 3711 Regional telecommunications, except wire broadcast telephones JSIC 3712 Long-distance telecommunications JSIC 3719 Miscellaneous fixed telecommunications JSIC 3721 Mobile telecommunications JSIC 401 Internet based services Note: The activities covered by the reservation under JSIC 3711, 3712, 3719, 3721 or 401 are limited to the activities which are subject to the registration obligation under Article 9 of the Telecommunications Business Law (Law No. 86 of 1984).

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in telecommunications business and internet based services in Japan.

6.

Sector: Manufacturing

Sub-Sector: Drugs and Medicines Manufacturing

Industry Classification: JSIC 1653 Biological preparations

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in biological preparations manufacturing industry in Japan. For greater certainty, "biological preparations manufacturing industry" deals with economic activities in an establishment which mainly produces vaccine, serum, toxoid, antitoxin and some preparations similar to the aforementioned products, or blood products.

7.

Sector: Manufacturing

Sub-Sector: Leather and Leather Products Manufacturing

Industry Classification: JSIC 1189 Textile apparel and accessories, n.e.c. JSIC 1694 Gelatine and adhesives JSIC 192 Rubber and plastic footwear and its findings JSIC 2011 Leather tanning and finishing JSIC 2021 Mechanical leather products, except gloves and mittens JSIC 2031 Cut stock and findings for boots and shoes JSIC 2041 Leather footwear JSIC 2051 Leather gloves and mittens JSIC 2061 Baggage JSIC 207 Handbags and small leather cases JSIC 2081 Fur skins JSIC 2099 Miscellaneous leather products JSIC 3253 Sporting and athletic goods

Note 1: The activities covered by the reservation under JSIC 1189 or 3253 are limited to the activities related to leather and leather products manufacturing.

Note 2: The activities covered by the reservation under JSIC 1694 are limited to the activities related to animal glue (nikawa) and gelatine manufacturing.

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3.

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in leather and leather products manufacturing industry in Japan.

8.

Sector: Matters Related to the Nationality of a Ship

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central Authority

Measures: Ship Law (Law No. 46 of 1899), Article 1

Description: The Japanese nationality shall be given to a ship whose owner is a Japanese national, or a company established under Japanese law, of which all the representatives and not less than two-thirds of the executives administering the affairs are Japanese nationals.

9.

Sector: Mining

Sub-Sector:

Industry Classification: JSIC 05 Mining and quarrying of stone and gravel

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Mining Law (Law No. 289 of 1950), Chapters 2 and 3

Description: Only a Japanese national or a Japanese legal person may have mining rights or mining lease rights.

10.

Sector: Oil Industry

Sub-Sector:

Industry Classification: JSIC 053 Crude petroleum and natural gas production JSIC 1711 Petroleum refining JSIC 1721 Lubricating oils and greases (not made in petroleum refineries) JSIC 1741 Paving materials JSIC 1799 Miscellaneous petroleum and coal products JSIC 4711 Ordinary warehousing JSIC 4721 Refrigerated warehousing JSIC 5331 Petroleum JSIC 6051 Petrol stations (gasoline service stations) JSIC 6052 Fuel stores, except gasoline service stations JSIC 9299 Miscellaneous business services, n.e.c.

Note 1: The activities covered by the reservation under JSIC 1741, 1799, 4711, 4721 or 6052 are limited to the activities related to oil industry.

Note 2: The activities covered by the reservation under JSIC 9299 are limited to the activities related to liquefied petroleum gas industry.

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in oil industry in Japan. All organic chemicals such as ethylene, ethylene glycol and polycarbonates are outside the scope of the oil industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

11.

Sector: Agriculture, Forestry and Fisheries, and Related Services (except Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf provided for in the reservation No.6 in the Schedule of the Interchange Association in Annex II)

Sub-Sector:

Industry Classification: JSIC 01 Agriculture JSIC 02 Forestry JSIC 03 Fisheries, except aquaculture JSIC 04 Aquaculture JSIC 6324 Agricultural cooperatives JSIC 6325 Fishery and fishery processing cooperatives JSIC 871 Agriculture, forestry and fisheries cooperative associations, n.e.c.

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in agriculture, forestry and fisheries, and related services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the entry No. 6 in the Schedule of the Interchange Association in Annex II) in Japan.

12.

Sector: Security Guard Services

Sub-Sector:

Industry Classification: JSIC 9231 Guard services

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in security guard services in Japan.

13.

Sector: Transport

Sub-Sector: Air Transport

Industry Classification: JSIC 4600 Head offices primarily engaged in managerial operations JSIC 4611 Air transport

Provisions Concerned: Article 3 Article 4 Article 7

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3 Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8

Description:

1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in air transport business in Japan.

2. Permission of the Minister of Land, Infrastructure, Transport and Tourism for conducting air transport business as a Japanese air carrier is not granted to the following natural persons or entities applying for the permission:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or a foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country or region; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than onethird of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event an air carrier falls into a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the air carriers.

3. A Japanese air carrier or a company having substantial control over such air carrier, such as a holding company, may reject the request from a natural person or an entity set forth in subparagraphs 2(a) through (c), who owns equity investments in such air carrier or company, to enter its name and address in the register of shareholders, in the event such air carrier or company falls into a legal person referred to in subparagraph 2(d) by accepting such request.

4. Foreign air carriers are required to obtain permission of the Minister of Land, Infrastructure, Transport and Tourism to conduct international air transport business.

5. Permission of the Minister of Land, Infrastructure, Transport and Tourism is required for the use of foreign aircraft for air transportation of passengers or cargoes to and from Japan for remuneration.

6. A foreign aircraft may not be used for a flight between points within Japan.

14.

Sector: Transport

Sub-Sector: Air Transport

Industry Classification: JSIC 4600 Head offices primarily engaged in managerial operations JSIC 4621 Aircraft service, except air transport

Provisions Concerned: Article 3 Article 7

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3 Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8.

Description:

1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in aerial work business in Japan.

2. Permission of the Minister of Land, Infrastructure, Transport and Tourism for conducting aerial work business is not granted to the following natural persons or entities applying for the permission:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or a foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country or region; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event a person conducting aerial work business falls into a natural person or an entity referred to in subparagraphs (a) through (d), the permission will lose its effect. The conditions for the permission also apply to companies, such as holding companies, which have substantial control over the person conducting aerial work business.

3. A foreign aircraft may not be used for a flight between points within Japan.

15.

Sector: Transport

Sub-Sector: Air Transport (Registration of Aircraft in the National Register)

Industry Classification:

Provisions Concerned: Article 3 Article 7

Level of Authority: Central Authority

Measures: Civil Aeronautics Law (Law No. 231 of 1952), Chapter 2

Description:

1. An aircraft owned by any of the following natural persons or entities may not be registered in the national register:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or a foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country or region; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than onethird of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

2. A foreign aircraft may not be registered in the national register.

16.

Sector: Transport

Sub-Sector: Freight Forwarding Business (excluding freight forwarding business using air transportation)

Industry Classification: JSIC 4441 Collect-and-deliver freight transport JSIC 4821 Deliver freight transport, except collect-and-deliver freight transport

Provisions Concerned: Article 3 Article 4 Article 7

Level of Authority: Central Authority

Measures: Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2 through 4 Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)

Description: The following natural persons or entities are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism for conducting freight forwarding business using international shipping. Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or a foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country or region; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than onethird of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

17.

Sector: Transport

Sub-Sector: Freight Forwarding Business (only freight forwarding business using air transportation)

Industry Classification: JSIC 4441 Collect-and-deliver freight transport JSIC 4821 Deliver freight transport, except collect-and-deliver freight transport

Provisions Concerned: Article 3 Article 4 Article 7

Level of Authority: Central Authority

Measures: Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2 through 4 Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)

Description:

1. The following natural persons or entities may not conduct freight forwarding business using air transportation between points within Japan:

(a) a natural person who does not have Japanese nationality;

(b) a foreign country or region, or foreign public entity or its equivalent;

(c) a legal person or other entity constituted under the laws of any foreign country or region; and

(d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than onethird of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

2. The natural persons or entities referred to in subparagraphs 1(a) through (d) are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism for conducting freight forwarding business using international air transportation. Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity.

18.

Sector: Transport

Sub-Sector: Railway Transport

Industry Classification: JSIC 421 Railway transport JSIC 4851 Railway facilities services

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in railway transport industry in Japan. The manufacture of vehicles, parts and components for the railway transport industry is not included in railway transport industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

19.

Sector: Transport

Sub-Sector: Road Passenger Transport

Industry Classification: JSIC 4311 Common omnibus operators

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in omnibus industry in Japan. The manufacture of vehicles, parts and components for omnibus industry is not included in omnibus industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

29.

Sector: Transport

Sub-Sector: Water Transport

Industry Classification: JSIC 452 Coastwise transport JSIC 453 Inland water transport JSIC 4542 Coastwise ship leasing

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in water transport industry in Japan. For greater certainty, "water transport industry" refers to oceangoing/ seagoing transport, coastwise transport (i.e. maritime transport between ports within Japan), inland water transport and ship leasing industry. However, oceangoing/ seagoing transport industry and ship leasing industry excluding coastwise ship leasing industry are exempted from the prior notification requirement.

21.

Sector: Transport

Sub-Sector: Water Transport

Industry Classification:

Provisions Concerned: Article 3 Article 4

Level of Authority: Central Authority

Measures: Ship Law (Law No. 46 of 1899), Article 3

Description: Unless otherwise specified in the laws and regulations of Japan, or international agreements to which Japan is a party, ships not flying the Japanese flag are prohibited from entering Japanese ports which are not open to foreign commerce and from carrying cargoes or passengers between Japanese ports.

22.

Sector: Water Supply and Waterworks

Sub-Sector:

Industry Classification: JSIC 3611 Water for end users, except industrial users

Provisions Concerned: Article 3

Level of Authority: Central Authority

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign

investors who intend to make investments in water supply and waterworks industry in Japan.

(The Interchange Association may modify or rectify this draft Annex before the conclusion of the negotiations.)

Annex II. Schedule of the interchange association reservations for measures referred to in paragraph 2 of article 8

1. This Schedule sets out with respect to the Interchange Association, pursuant to paragraph 2 of Article 8, the reservations made by the Interchange Association with respect to specific sectors, sub-sectors or activities for which the existing measures may be maintained, or new or more restrictive measures may be adopted that do not conform with the following provisions of this Arrangement:

(a) Article 3;

(b) Article 4; or

(c) Article 7.

2. Each schedule entry sets out the following elements:

(a) "Sector" refers to the general sector for which the entry is made;

(b) "Sub-Sector" refers to the specific sector for which the entry is made;

(c) "Industry Classification" refers, where applicable, and only for transparency purposes, to the activities covered by the entry according to the relevant industry classification codes. In this regard, "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007;

(d) "Provisions Concerned" specifies the provisions referred to in paragraph 1 for which the entry is made;

(e) "Description" illustrates the scope of the sector, sub-sector or activities covered by the entry; and

(f) "Existing Measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the entry.

3. In the interpretation of each entry, all elements of the entry shall be considered. The "Description" element shall prevail over all the other elements.

4. For the purposes of this schedule, when the term "foreign" is employed, it refers to something belonging to or coming from, or to characteristics of, other country or region than Japan.

1.

Sector: All Sectors

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: When transferring or disposing of the equity interests in, or the assets of, a state enterprise or a governmental entity,

(a) the ownership of such interests or assets by investors of the Taiwanese Side or their investments may be prohibited or restricted;

(b) the ability of investors of the Taiwanese Side or their investments as owners of such interests or assets to control any resulting enterprise may be restricted; or

(c) any measure relating to the nationality of executives, managers or members of the board of directors of any resulting enterprise may be adopted or maintained.

Existing Measures:

2.

Sector: All Sectors

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: In the event where the supply of telegraph services, postal services and betting and gambling services, manufacture of tobacco products, manufacture of Bank of Japan notes, minting and sale of coinage in Japan, which are restricted to designated enterprises or governmental entities, are liberalized to those other than the designated enterprises or governmental entities, or in the event where such designated enterprises or governmental entities no longer operate on a noncommercial basis, any measure relating to those activities may be adopted or maintained.

Existing Measures:

3.

Sector: Aerospace Industry

Sub-Sector: Aircraft Industry Space Industry

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: Any measure relating to investment in aircraft industry and space industry may be adopted or maintained.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5

4.

Sector: Arms and Explosives Industry

Sub-Sector: Arms Industry Explosives Manufacturing Industry

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: Any measure relating to investment in arms industry and explosives manufacturing industry may be adopted or maintained.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5

5.

Sector: Energy

Sub-Sector: Electricity Utility Industry Gas Utility Industry Nuclear Energy Industry

Industry Classification:

Provisions Concerned: Article 3 Article 7

Description: Any measure relating to investment in the energy industry listed in the "Sub-Sector" element may be adopted or maintained.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5

6.

Sector: Fisheries

Sub-Sector: Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf

Industry Classification: JSIC 031 Marine fisheries JSIC 032 Inland water fisheries JSIC 041 Marine aquaculture JSIC 042 Inland water aquaculture JSIC 8093 Recreational fishing guide business

Provisions Concerned: Article 3 Article 4 Article 7

Description: Any measure relating to investment in fisheries in the territorial sea, internal waters, exclusive economic zone and continental shelf of Japan may be adopted or maintained.

For the purposes of this entry, the term "fisheries" means the work of taking and cultivation of aquatic resources, including the following fisheries related activities:

(a) investigation of aquatic resources without taking such resources;

(b) luring of aquatic resources;

(c) preservation and processing of fish catches;

(d) transportation of fish catches and fish products; and

(e) provision of supplies to other vessels used for fisheries.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3 Law for Regulation of Fishing Operation by Foreign Nationals (Law No. 60 of 1967), Articles 3, 4 and 6 Law concerning the Exercise of Sovereign Rights concerning Fisheries in the Exclusive Economic Zones (Law No. 76 of 1996), Articles 4, 5, 7, 8, 9, 10, 11, 12 and 14

7.

Sector: Information and Communications

Sub-Sector: Broadcasting Industry

Industry Classification: JSIC 380 Establishments engaged in administrative or ancillary economic activities JSIC 381 Public broadcasting, except cablecasting JSIC 382 Private-sector broadcasting, except cablecasting JSIC 383 Cablecasting

Provisions Concerned: Article 3 Article 7

Description: Any measure relating to investment in broadcasting industry may be adopted or maintained.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3 Radio Law (Law No. 131 of 1950), Article 5 Broadcast Law (Law No. 132 of 1950), Articles 93, 116, 125, 159 and 161.

8.

Sector: Land Transaction

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 4

Description: With respect to the acquisition or lease of land properties in Japan, prohibitions or restrictions may be imposed by Cabinet Order on foreign nationals, citizens or legal persons, where Japanese nationals or legal persons are placed under identical or similar prohibitions or restrictions in the foreign country or region.

Existing Measures: Alien Land Law (Law No. 42 of 1925), Article 1

9.

Sector: Public Law Enforcement and Correctional Services and Social Services

Sub-Sector:

Industry Classification:

Provisions Concerned: Article 3 Article 4 Article 7

Description: Any measure relating to investment in public law enforcement and correctional services, and in social services such as income security or insurance, social security or insurance, social welfare, primary and secondary education, public training, health and child care, may be adopted or maintained.

Existing Measures: