Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership

Japan and the Republic of Singapore (hereinafter referred to in this Agreement as "the Parties"),

Conscious of their warm relations and strong economic and political ties, including shared perceptions on various issues, that have developed through many years of fruitful and mutually beneficial co-operation;

Recognising that a dynamic and rapidly changing global environment brought about by globalisation and technological progress presents many new economic and strategic challenges and opportunities to the Parties;

Acknowledging that encouraging innovation and competition and improving their attractiveness to capital and human resources can enhance their ability to respond to such new challenges and opportunities;

Recognising that the economic partnership of the Parties would create larger and new markets, and would improve their economic efficiency and consumer welfare, enhancing the attractiveness and vibrancy of their markets, and expanding trade and investment not only between them but also in the region;

Reaffirming that such partnership will provide a useful framework for enhanced regulatory co-operation between the Parties to meet new challenges posed by emerging market developments and to improve their market infrastructure;

Bearing in mind their rights and obligations under other international agreements to which they are parties, in particular those of the Marrakesh Agreement Establishing the World Trade Organization (hereinafter referred to in this Agreement as "the WTO Agreement");

Reaffirming the importance of the multilateral trading system embodied by the World Trade Organization (hereinafter referred to in this Agreement as "the WTO");

Recognising the catalytic role which regional and bilateral trade agreements that are consistent with the rules of the WTO can play in accelerating global and regional trade and investment liberalisation and rule-making;

Realising that enhancing economic ties between the Parties would strengthen Japan's involvement in Southeast Asia;

Observing in particular that such ties would help catalyse trade and investment liberalisation in Asia-Pacific;

Convinced that stronger economic linkages between them would provide greater opportunities, larger economies of scale and a more predictable environment for economic activities not only for Japanese and Singapore businesses but also for other businesses in Asia;

Determined to create a legal framework for an economic partnership between the Parties;

HAVE AGREED as follows:

Chapter 1. General Provisions

Article 1. Objectives

The objectives of this Agreement are:
(a) to facilitate, promote, liberalise and provide a stable and predictable environment for economic activity between the Parties through such means as:
(i) reducing or eliminating customs duties and other barriers to trade in goods between the Parties;
(ii) improving customs clearance procedures with a view to facilitating bilateral trade in goods;
(iii) promoting paperless trading between the Parties;
(iv) facilitating the mutual recognition of the results of conformity assessment procedures for products or processes; (v)

removing barriers to trade in services between the Parties;
(vi) mutually enhancing investment opportunities and strengthening protection for investors and investments;
(vii) easing the movement of business people including professionals;
(viii) developing co-operation between the Parties in the field of intellectual property;
(ix) enhancing opportunities in the government procurement market; and
(x) encouraging effective control of and promoting co-operation in the field of anti competitive activities; and
(b) to establish a co-operative framework for further strengthening the economic relations between the Parties through such means as:
(i) promoting regulatory co-operation in the field of financial services, facilitating development of financial markets, including capital markets in the Parties and in Asia,and improving the financial market infrastructure of the Parties;
(ii) promoting the development and use of information and communications technology(hereinafter referred to in this Agreement as "ICT") and ICT-related services;
(iii) developing and encouraging co-operation in the field of science and technology;
(iv) developing and encouraging co-operation in the field of human resource development;
(v) promoting trade and investment activities of private enterprises of the Parties through facilitating their exchanges and collaboration;
(vi) promoting, particularly, trade and investment activities of small and medium enterprises of the Parties through facilitating their close co-operation; (vii) developing and encouraging co-operation in the field of broadcasting; and (viii) promoting and developing tourism in the Parties.

Article 2. Transparency

1. Each Party shall promptly make public, or otherwise make publicly available, its laws, regulations,administrative procedures and administrative rulings and judicial decisions of general application as well as international agreements which pertain to or affect the operation of this Agreement.
2. Each Party shall, upon request by the other Party,promptly respond to specific questions from, and provide information to, the other Party with respect to matters referred to in paragraph 1 above.

Article 3. Confidential Information

1. Nothing in this Agreement shall be construed to require a Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.
2. Nothing in this Agreement shall be construed to require a Party to provide information relating to the affairs and accounts of customers of financial institutions.
3. Each Party shall, in accordance with its laws and regulations, maintain the confidentiality of information provided in confidence by the other Party pursuant to this Agreement, including business-confidential information.

Article 4. Security and General Exceptions

1. Nothing in this Agreement shall be construed:

(a) to require a Party to furnish any information the disclosure of which it considers contrary to its essential security interests;
(b) to prevent a Party from taking any action which it considers necessary for the protection of its essential security interests:
(i) relating to fissionable and fusionable materials or the materials from which they are derived;
(ii) relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
(iii) relating to the supply of services as carried out directly or indirectly for the purpose of provisioning a military establishment;
(iv) relating to the procurement of arms,ammunition or war materials, or to procurement indispensable for national security or for national defence purposes;or
(v) taken in time of war or other emergency within that Party or in international relations; or
(c) to prevent a Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.
2. In the application of paragraph 1 above, the relevant interpretations and operation of the WTO Agreement shall,where appropriate, be taken into account.
3. Nothing in this Agreement shall be construed to prevent a Party from taking any action necessary to protect communications infrastructure of critical importance from unlawful acts against such infrastructure.

Article 5. Taxation

1. Unless otherwise provided for in this Agreement, its provisions shall not apply to any taxation measures.
2. Articles 2, 3 and 4 above shall apply to taxation measures, to the extent that the provisions of this Agreement are applicable to such taxation measures.

Article 6. Relation to other Agreements

1. In the event of any inconsistency between this Agreement and any other agreement to which both Parties are parties, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution, taking into consideration general principles of international law.
2. For the purposes of this Agreement, references to articles in the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement (hereinafter referred to in this Agreement as "GATT 1994") include the interpretative notes, where applicable.

Article 7. Implementing Agreement

The Parties shall conclude a separate agreement setting forth the details and procedures for the implementation of this Agreement (hereinafter referred to in this Agreement as "the Implementing Agreement").

Article 8. Supervisory Committee

1. A Supervisory Committee shall be established to ensure the proper implementation of this Agreement, to review the economic relationship and partnership between the Parties,and to consider the necessity of amending this Agreement for furthering its objectives.
2. The functions of the Supervisory Committee shall include:
(a) reviewing the implementation of this Agreement;
(b) discussing any issues concerning trade-related and investment-related measures which are of interest to the Parties;
(c) encouraging each other to take appropriate measures which will lead to significant improvement of business environment between the Parties;
(d) considering and recommending further liberalisation and facilitation of trade in goods and services, and investment;
(e) considering and recommending ways of furthering the objectives of this Agreement through more extensive co-operation; and (f) considering and recommending, at any time and whether or not in the context of the general review provided for in Article 10, any amendment to this Agreement or modification to the commitments herein.
3. Where there are any amendments to the provisions of the WTO Agreement on which provisions of this Agreement are based, the Parties shall, through the Supervisory Committee,consider the possibility of incorporating such amendments to this Agreement.
4. The Supervisory Committee:
(a) shall be composed of representatives of the Parties;
(b) shall be co-chaired by Ministers or senior officials of the Parties as may be delegated by them for this purpose; and (c) may establish and delegate responsibilities to working groups.
5. To promote dialogue between the government, academia and business communities of the Parties, for the purpose of developing and enhancing the economic partnership between the Parties, the working groups may, where necessary,invite academics and business persons with the relevant expertise to participate in the discussions of the working groups.
6. The Supervisory Committee shall convene once a year in regular session alternately in each Party. Special meetings of the Supervisory Committee shall also convene,within 30 days, at the request of either Party.

Article 9. Communications

Each Party shall designate a contact point to facilitate communications between the Parties on any matter relating to this Agreement.

Article 10. General Review

The Parties shall undertake a general review of the operation of this Agreement in 2007 and every five years thereafter.

Chapter 2. Trade In Goods

Article 11. Definitions Under Chapter 2

For the purposes of this Chapter:
(a) the term "originating goods of the other Party"means goods of the other Party which are treated as originating goods in accordance with Chapter3;
(b) the term "other duties or charges" means those provided for in sub-paragraph (b) of paragraph 1 of Article II of GATT 1994;
(c) the term "customs value of goods" means the value of goods for the purposes of levying ad valore mcustoms duties on imported goods;
(d) the term "transition period" means the period of 10 years immediately following the entry into force of this Agreement;
(e) the term "serious injury" means a significant overall impairment in the position of a domestic industry;
(f) the term "threat of serious injury" means serious injury that, on the basis of facts and not merely on allegation, conjecture or remote possibility,is clearly imminent; and
(g) the term "domestic industry" means the producers as a whole of the like or directly competitive good operating in the territory of a Party, or those whose collective output of the like or directly competitive good constitutes a major proportion of the total domestic production of the good.

Article 12. Classification of Goods

The classification of goods in trade between the Parties shall be in conformity with the Harmonized Commodity Description and Coding System (hereinafter referred to in this Agreement as "the Harmonized System").

Article 13. National Treatment Under Chapter 2

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994.

Article 14. Elimination of Customs Duties

1. Each Party shall eliminate its customs duties on goods of the other Party in accordance with its Schedule in Annex I. The preferential tariff treatment shall be accorded only to originating goods of the other Party whose importation meets the consignment criteria provided for in Article 27.
2. On the request of either Party, the Parties shall consult to consider:
(a) accelerating the elimination of customs duties on goods as set out in the Schedules in Annex I; or (b) scheduling the elimination of customs duties on goods that are not yet set out in the Schedules in Annex I.
3. Any agreement for the further liberalisation of trade in goods reached as a result of consultations pursuant to paragraph 2 above shall be reflected in Annex I.
4. Each Party shall eliminate other duties or charges of any kind imposed on or in connection with the importation of goods of the other Party, if any. Neither Party shall increase or introduce other duties or charges of any kind imposed on or in connection with the importation of goods of the other Party.
5. Nothing in this Article shall prevent a Party from imposing, at any time, on the importation of any goods of the other Party: (a) a charge equivalent to an internal tax imposed consistently with the provisions of paragraph 2 of Article III of GATT 1994 in respect of the like domestic product or in respect of an article from which the imported product has been manufactured or produced in whole or in part; (b) any anti-dumping or countervailing duty applied consistently with the provisions of Article VI of GATT 1994, the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 and the Agreement on Subsidies and Countervailing Measures in Annex 1A to the WTO Agreement; and (c) fees or other charges commensurate with the cost of services rendered.

Article 15. Customs Valuation

The Parties shall apply the provisions of Part I of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement (hereinafter referred to in this Agreement as "the Agreement on Customs Valuation") for the purposes of determining the customs value of goods traded between the Parties.

Article 16. Export Duties

Neither Party shall adopt or maintain any duties on goods exported from its territory into the territory of the other Party.

Article 17. Non-tariff Measures

Each Party shall:
(a) not institute or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party which are inconsistent with its obligations under the WTO Agreement; and
(b) ensure the transparency of its non-tariff measures permitted under paragraph (a) above and their full compliance with its obligations under the WTO Agreement with a view to minimising possible distortion to trade to the maximum extent possible.

Article 18. Emergency Measures

1. Subject to the provisions of this Article, each Party may, only during the transition period and to the minimum extent necessary to prevent or remedy the injury and to facilitate adjustment:
(a) suspend the further reduction of any rate of customs duty on the good provided for in thisChapter; or
(b) increase the rate of customs duty on the good to a level not to exceed the lesser of:
(i) the most-favoured-nation applied rate of customs duty in effect at the time when the measure set out in this paragraph is taken;and
(ii) the most-favoured-nation applied rate of customs duty in effect on the day immediately preceding the date of entry into force of this Agreement; if an originating good of the other Party, which is accorded the preferential tariff treatment provided for in Article 14, as a result of the reduction or elimination of a customs duty, is being imported into the territory of the former Party in such increased quantities, in absolute terms, and under such conditions that the imports of that originating good alone constitute a substantial cause of serious injury, or threat thereof, to a domestic industry of the former Party.
2. A Party may take a measure set out in paragraph 1 above only after an investigation has been carried out by the competent authorities of that Party in accordance with the same procedures as those provided for in Article 3 and paragraph 2 of Article 4 of the Agreement on Safeguards in Annex 1A to the WTO Agreement (hereinafter referred to in this Chapter as "the Agreement on Safeguards"). The investigation shall in all cases be completed within one year following its date of institution.
3. The following conditions and limitations shall apply to the taking of a measure pursuant to paragraph 1 of this Article:
(a) a Party shall immediately deliver a written notice to the other Party upon:
(i) initiating an investigatory process relating to serious injury, or threat thereof, and the reasons for it;
(ii) making a finding of serious injury, or threat thereof, caused by increased imports;and
(iii) taking a decision to apply such a measure;
(b) in making the notification referred to in subparagraph (a) above, the Party proposing to apply a measure shall provide the other Party with all pertinent information, which shall include evidence of serious injury or threat thereof caused by the increased imports, a precise description of the good involved and the proposed measure, the proposed date of introduction of the measure and its expected duration;
(c) a Party proposing to apply a measure shall provide adequate opportunity for prior consultations with the other Party with a view to reviewing the information arising from the investigation, exchanging views on the measure and reaching an agreement on compensation set out in paragraph 4 below. The Parties shall, in such consultations, review, *inter alia*, the information provided pursuant to sub-paragraph (b) above, to determine: (i) whether the provisions of this Article have been complied with;
(ii) whether any proposed measure should betaken; and
(iii) whether any proposed measure would operate so as to constitute an unnecessary obstacle to trade between the Parties;
(d) no measure shall be maintained except to the extent and for such time as may be necessary to prevent or remedy serious injury and to facilitate adjustment provided that such time shall not exceed a period of one year. In very exceptional circumstances, after the prior consultations referred to in sub-paragraph (c)above, a measure may be maintained for up to a total maximum period of three years. A Party taking such measure shall present to the other Party a schedule leading to its progressive elimination;
(e) no measure shall be applied again to the import of a particular originating good which has been subject to the measure during the transition period; and
(f) upon the termination of the measure, the rate of customs duty shall be the rate which would have been in effect but for the measure.
4. A Party proposing to apply a measure set out inparagraph 1 of this Article shall provide to the otherParty mutually agreed adequate means of trade compensationin the form of concessions of customs duties whose levels are substantially equivalent to the value of the additionalduties expected to result from the measure. If the Parties are unable to agree on the compensation within 30 days ofthe commencement of the consultations pursuant to subparagraph (c) of paragraph 3 above, the Party against whoseoriginating good the measure is taken shall be free tosuspend the application of concessions of customs dutiesunder this Agreement, which are substantially equivalent tothe measure applied under paragraph 1 of this

Article. The Party exercising the right of suspension may suspend theapplication of concessions of customs duties only for theminimum period necessary to achieve the substantiallyequivalent effects.
5. Nothing in this Chapter shall prevent a Party fromapplying safeguard measures to a good being imported tothat Party irrespective of its source, including such agood being imported from the other Party, unless suchmeasures are inconsistent with Article XIX of GATT 1994 and the Agreement on Safeguards.
6. Each Party shall ensure the consistent, impartial andreasonable administration of its laws, regulations anddecisions governing proceedings of the measure.
7. Each Party shall, to the extent provided by its lawsand regulations, maintain judicial tribunals or proceduresfor the purpose of the prompt review of administrativeactions relating to measures set out in paragraph 1 of thisArticle. Such tribunals or procedures shall be independentof the authorities responsible for the determination of themeasure in question. 8. Each Party shall adopt or maintain equitable, timely,transparent and effective procedures relating to themeasure.

Article 19. General Exceptions Under Chapter 2

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in goods between the Parties, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

(a) necessary to protect public morals;

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

(c) relating to the importation or exportation of gold or silver;

(d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of GATT 1994, including those relating to customs enforcement, the enforcement of monopolies operated under paragraph 4 of ArticleI I and Article XVII of GATT 1994, the protection of patents, trade marks and copyrights, and the prevention of deceptive practices;

(e) relating to the products of prison labour;

(f) imposed for the protection of national treasures of artistic, historic or archaeological value;

(g) relating to the conservation of exhaustible natural resources if such measures are made effective in conjunction with restrictions on domestic production or consumption;

(h) undertaken in pursuance of obligations under any inter-governmental commodity agreement which conforms to criteria submitted to the members of the WTO and not disapproved by them or which is itself so submitted and not so disapproved;

(i) involving restrictions on exports of domestic materials necessary to ensure essential quantities of such materials to a domestic processing industry during periods when the domestic price of such materials is held below the world price as part of a governmental stabilisation plan; provided that such restrictions shall not operate to increase the exports of or the protection afforded to such domestic industry, and shall not depart from the provisions of GATT 1994 relating to nondiscrimination; and

(j) essential to the acquisition or distribution of products in general or local short supply;provided that any such measures shall be consistent with the principle that all members of the WTO are entitled to an equitable share of the international supply of such products, and that any such measures, which are inconsistent with the other provisions of this Agreement shall be discontinued as soon as the conditions giving rise to them have ceased to exist. 2. In the application of paragraph 1 above, the relevant interpretations and operation of the WTO Agreement shall,where appropriate, be taken into account.

Article 20. Restrictions to Safeguard the Balance of Payments Under Chapter 2

Nothing in this Chapter shall be construed to prevent a Party from taking any measure for balance-of-payments purposes. A Party taking such measure shall do so in accordance with the conditions established under Article XII of GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement.

Article 21. Miscellaneous Provisions Under Chapter 2

1. In fulfilling its obligations under this Chapter, each Party shall take such reasonable measures as may be available to it to

ensure the observance of the provisions of this Chapter by local governments within its territory.
2. If a Party has entered into an international agreement on trade in goods with a non-Party, or enters into such an agreement after this Agreement comes into force, it shall favourably consider according to goods originating in or destined for the territory of the other Party, treatment no less favourable than the treatment which it accords to like goods originating in or destined for the territory of that non-Party pursuant to such an agreement.

Chapter 3. Rules of Origin

Article 22. Definitions Under Chapter 3

For the purposes of this Chapter:
(a) the term "material" includes ingredients, parts,components, sub assemblies and goods that were physically incorporated into another good or were subject to a process in the production of another good;
(b) the term "non-originating material" means a material whose country of origin, as determined under this Chapter, is not the same country as the country in which that material is used in production; and
(c) the term "production" means methods of obtaining goods including manufacturing, producing,assembling, processing, raising, growing,breeding, mining, extracting, harvesting, fishing,trapping, gathering, collecting, hunting and capturing.

Article 23. Originating Goods

1. For the purposes of this Agreement, goods wholly obtained or produced entirely in a Party shall be treated as originating goods of that Party. The following goods shall be considered as being wholly obtained or produced entirely in a Party:
(a) live animals born and raised in the territory of that Party;
(b) animals obtained by hunting, trapping, fishing,gathering or capturing in the territory of that Party;
(c) goods obtained from live animals in the territory of that Party;
(d) plants and plant products harvested, picked or gathered in the territory of that Party;
(e) minerals and other naturally occurring substances,not included in sub-paragraphs (a) through (d)above, extracted or taken in the territory of that Party;
(f) goods of sea-fishing and other goods taken from the sea, outside the territorial sea of that Party, by vessels that are entitled to fly the flag of that Party;
(g) goods obtained or produced on board factory ships,outside the territorial sea of that Party, that are entitled to fly the flag of that Party,provided that these goods are manufactured from goods referred to in sub-paragraph (f) above; (h) goods taken from the sea bed or subsoil beneath the sea bed outside the territorial sea of that Party, in accordance with the provisions of the United Nations Convention on the Law of the Sea;
(i) articles collected in the territory of that Party which can no longer perform their original purpose in its territory nor are capable of being restored or repaired and which are fit only for disposal or for the recovery of parts or raw materials;
(j) scrap and waste derived from manufacturing or processing operations or from consumption in the territory of that Party and fit only for disposal or for the recovery of raw materials;
(k) parts or raw materials recovered in the territory of that Party from articles which can no longer perform their original purpose nor are capable of being restored or repaired; and
(l) goods obtained or produced in the territory of that Party solely from goods referred to in sub-paragraphs (a) through (k) above.
2. For the purposes of this Agreement, goods which have undergone sufficient transformation in a Party shall be treated as originating goods of that Party. Goods which satisfy the product-specific rules provided for in Annex IIA shall be considered as goods to which sufficient transformation has been carried out in a Party.
3. Product-specific rules requiring that the materials used undergo a change in tariff classification or a specific manufacturing or processing operation shall apply only to non-originating materials.
4. (a) Product-specific rules using the value-added method require that:
(i) the qualifying value content of the good,determined in accordance with sub-paragraph (b) below and Article 24 below, is not less than the percentage specified by the rule for the good in Annex II A; and
(ii) the good has undergone its last production or operation which satisfies the requirement of sub-paragraph (i) above in the territory of either Party.

(b) For the purpose of calculating the qualifying value content of a good pursuant to sub-paragraph (a) above, the following formula shall be applied: F.O.B. – N.Q.M. Q.V.C. = x 100 F.O.B. Where: Q.V.C. is the qualifying value content of a good, expressed as a percentage; F.O.B. is the free-on-board value of a good payable by the buyer to the seller, regardless of the mode of shipment, not including any internal excise taxes reduced, exempted, or repaid when the good is exported; and N.Q.M. is the non-qualifying value of materials used by the producer in the production of the good, calculated in accordance with sub-paragraph (c) below.

(c) For the purpose of calculating the non-qualifying value of materials pursuant to sub-paragraph (b)above, the following formula shall be applied: N.Q.M. = T.V.M. - Q.V.M. Where: T.V.M. is the total value of materials; and Q.V.M. is the qualifying value of materials.
5. For the purpose of sub-paragraph (c) of paragraph 4 above:
(a) the qualifying value of materials shall be:
(i) the total value of the material if the material satisfies the requirements of subparagraph (b) below; or
(ii) the value of the material that can be attributed to one or both of the Parties if the material does not satisfy the requirements of sub-paragraph (b) below; and
(b) for the purpose of sub-paragraph (a) above, a material shall be considered to have satisfied the requirements of this sub-paragraph if:
(i) the content of the value of the material that can be attributed to one or both of the Parties is not less than 60 per cent of the total value of the material; and
(ii) the material has undergone its last production or operation in the territory of either Party.
6. The value of a material used in the production of a good in a Party shall be the CIF value and shall be determined in accordance with the Agreement on Customs Valuation, or, if this is not known and cannot be ascertained, the first ascertainable price paid for the material in the Party.
7. A material used in the production of a good, for which no product-specific rule is provided for in Annex II A:
(a) shall not be deemed a non-originating material if the material satisfies the same product-specific rule, specified for the good in Annex II A, requiring a change in tariff classification or a specific manufacturing or processing operation;or
(b) shall be deemed a qualifying material if the material satisfies the same product-specific rule, specified for the good in Annex II A, using the value-added method.

Article 24. Accumulation

1. For the purpose of determining whether a good is an originating good of the other Party, either Party shall consider the production in its territory as that in the territory of the other Party, where such good is produced in the territory or territories of one or both Parties.
2. The production of a Party includes the production at different stages undertaken by one or more producers located in its territory.

Article 25. De Minimis

For the application of the product-specific rules provided for in Annex II A, non-originating materials which do not satisfy the rules shall be disregarded, provided that the totality of such materials does not exceed specific percentages in value, weight or volume of the good,as provided for in each chapter of Annex II A.

Article 26. Insufficient Operations

1. The following operations or processes shall not be considered as the sufficient transformation provided for in paragraph 2 of Article 23:
(a) operations to ensure the preservation of products in good condition during transport and storage(such as drying, freezing, keeping in brine) and other similar operations;
(b) changes of packaging and breaking up and assembly of packages;
(c) affixing marks, labels and other like distinguishing signs on products or their packaging;
(d) disassembly;
(e) placing in bottles, cases, boxes and other simple packaging operations;
(f) simple cutting;
(g) simple mixing;
(h) simple assembly of parts to constitute a complete product;
(i) simple making-up of sets of articles; and
(j) a combination of two or more operations referred to in sub-paragraphs (a) through (i) above.
2. A Party shall not exclude the value added through any of the operations or processes provided for in paragraph 1 above in calculating the qualifying value content of a good.
3. An originating good shall not lose its originating condition merely because it undergoes, outside the territory of either of the Parties, any of the operations provided for in paragraph 1 of this Article.

Article 27. Consignment Criteria

The originating goods of the other Party shall be deemed to meet the consignment criteria when they are:

(a) transported directly from the territory of the other Party; or
(b) transported through the territory or territories of one or more non-Parties for the purpose of transit or temporary storing in warehouses in such territory or territories, provided that they do not undergo operations other than unloading, reloading or operations to preserve them in good condition.

Article 28. Unassembled or Disassembled Goods

A good that is imported into the territory of either Party in an unassembled or disassembled form but is classified as an assembled good pursuant to the provisions of sub-paragraph (a) of paragraph 2 of the General Rule for the Interpretation of the Harmonized System shall be considered as an originating good, if the good meets the requirements of the relevant provisions of Articles 23 through 26.

Article 29. Claim for Preferential Tariff Treatment

1. The importing Party may require a certificate of origin for an originating good of the other Party from importers who claim the preferential tariff treatment provided for in paragraph 1 of Article 14 for the good.
2. Notwithstanding paragraph 1 above, the importing Party shall not require a certificate of origin from importers for: (a) an importation of a consignment of a good whose aggregate customs value does not exceed JPY200,000 or its equivalent amount; or
(b) an importation of a good into its territory, for which the importing Party has waived the requirement for a certification of origin.
3. Where originating goods are imported through the territory or territories of one or more non-Parties, the importing Party may request importers, who claim the preferential tariff treatment provided for in paragraph 1 of Article 14 for the goods, to submit a copy of through bill of lading, or a certificate or any other information given by the customs administration of such non-Parties or other relevant entities, which evidences that they do not undergo operation other than unloading, reloading or operations to preserve them in good condition in such territory or territories.

Article 30. Denial of Preferential Tariff Treatment

The importing Party may deny preferential tariff treatment to a good for which an importer in its territory claims preferential tariff treatment where the good does not meet the requirements of this Chapter or where the importer fails to comply with any of the relevant requirements of this Chapter.

Article 31. Certificate of Origin

1. The certificate of origin referred to in paragraph 1 of Article 29 shall be that issued by the certification bodies designated by the exporting Party.
2. Such certificate of origin shall include minimum data specified in Annex II B.
3. The issued certificate of origin shall be valid for 12 months from the date of issue.

Article 32. Advance Rulings

1. The importing Party shall, prior to the importation of a good into its territory, issue a written advance ruling in accordance with its laws and regulations as to whether the good qualifies as an originating good to importers of the good or their agents and exporters of the good or their agents, where a written application is made with all the necessary information and the Party has no reasonable grounds to deny the issuance. The importing Party shall endeavour to issue such advance ruling regarding the origin of the good within 30 days of receipt of all the necessary documents for the advance ruling.
2. The importing Party shall respect the issued ruling with regard to importation into its territory of the good for which the ruling was issued for a period of three years from the date of issuance of the advance ruling.
3. The importing Party may modify or revoke the issued ruling:
(a) if the ruling was based on an error of fact;
(b) if there is a change in the material facts or circumstances on which the ruling was based; or
(c) to conform with an amendment to this Agreement.

Article 33. Assistance for Checking of Certificate of Origin

The importing Party may, within three years after the importation of the good, request the exporting Party to assist to check the authenticity or accuracy of the certificate of origin. Where such request has been made,the exporting Party shall

endeavour to take necessary measures to provide the assistance requested.

Article 34. Joint Committee on Rules of Origin

For the purposes of effective implementation of this Chapter, a Joint Committee on Rules of Origin (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) to consult regularly to ensure the effective implementation of the provisions in this Chapter;
(b) to discuss necessary amendments of the provisions of this Chapter, including Annex II A, taking into account developments in production processes or other matters (including the recommended amendments to the Harmonized System);
(c) to submit the recommendation on the amendments to the Supervisory Committee; and (d) to discuss any issues concerning rules of origin.

Chapter 4. Customs Procedures

Article 35. Scope of Chapter 4

This Chapter shall apply to customs procedures required for the clearance of goods traded between the Parties.

Article 36. Customs Clearance

For prompt customs clearance of goods traded between the Parties, each Party shall:
(a) make use of information and communications technology;
(b) simplify its customs procedures; and
(c) make its customs procedures conform, as far as possible, to relevant international standards and recommended practices such as those made under the auspices of the Customs Co-operation Council.

Article 37. Temporary Admission and Goods In Transit

1. Each Party shall continue to facilitate the procedures for the temporary admission of goods traded between the Parties in accordance with the Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods(hereinafter referred to in this Article as "the A.T.A.Convention").
2. Each Party shall continue to facilitate customs clearance of goods in transit from or to the territory of the other Party.
3. The Parties shall endeavour to promote, through seminars and courses, the use of A.T.A. carnets pursuant to the A.T.A. Convention for the temporary admission of goods and the facilitation of customs clearance of goods in transit in non-Parties.
4. For the purposes of this Article, the term "temporary admission" means customs procedures under which certain goods may be brought into a customs territory conditionally, relieved totally or partially from the payment of customs duties. Such goods shall be imported for a specific purpose, and shall be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them.

Article 38. Exchange of Information Under Chapter 4

The Parties shall exchange information as provided for in the Implementing Agreement with respect to the implementation of this Chapter. Article 3 shall not apply to such exchange of information.

Article 39. Joint Committee on Customs Procedures

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Customs Procedures(hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing the implementation and operation of this Chapter; and
(b) identifying and recommending to the Supervisory Committee areas to be improved for facilitating trade between the Parties.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 5. Paperless Trading

Article 40. Co-operation on Paperless Trading between the Parties

The Parties, recognising that trading using electronic filing and transfer of trade-related information and electronic versions of documents such as bills of lading, invoices, letters of credit and insurance certificates, as an alternative to paper-based methods (hereinafter referred to in this Chapter as "paperless trading"), will significantly enhance the efficiency of trade through reduction of cost and time, shall co-operate with a view to realising and promoting paperless trading between them.

Article 41. Exchange of Views and Information

The Parties shall exchange views and information on realising, promoting and developments in paperless trading.

Article 42. Co-operation on Paperless Trading between Private Entities

The Parties shall encourage co-operation between their relevant private entities engaging in activities related to paperless trading. Such co-operation may include the setting up and operation by such private entities of facilities (hereinafter referred to in this Chapter as "the Facilities") to provide efficient and secured flow of electronic trade-related information and electronic versions of relevant documents between enterprises of the Parties.

Article 43. Review of Realisation of Paperless Trading

The Parties shall review as soon as possible, and in any case, not later than 2004, how to realise paperless trading in which electronic trade-related information and electronic versions of relevant documents exchanged between enterprises of the Parties through the Facilities may be used as supporting documents by the trade regulatory bodies of the respective Parties.

Article 44. Joint Committee on Paperless Trading

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Paperless Trading(hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing issues concerning the effective implementation of this Chapter;
(b) exchanging views and information on paperless trading; and

(c) discussing other issues relating to paperless trading.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 6. Mutual Recognition

Article 45. Definitions Under Chapter 6

1. For the purposes of this Chapter:
(a) the term "conformity assessment procedure" means any procedure to determine, directly or indirectly, whether products or processes fulfil relevant technical requirements set out in the applicable laws, regulations and administrative provisions of a Party;
(b) the term "conformity assessment body" means a body which conducts conformity assessment procedure, and the term "registered conformity assessment body" means the conformity assessment body registered pursuant to Article 53;
(c) the term "designation" means the designation of conformity assessment bodies by a Designating Authority of a Party pursuant to the applicable laws, regulations and administrative provisions of that Party;
(d) the term "Designating Authority" means an authority of a Party with the power to designate,monitor, withdraw the designation of, suspend the designation of, and withdraw the suspension of the designation of the conformity assessment bodies in its territory that conduct conformity assessment procedures based upon requirements set out in the applicable laws, regulations and administrative provisions of the other Party;
(e) the term "criteria for designation" means the criteria which conformity assessment bodies of a Party are required to fulfil in order to be designated by the Designating Authority of that Party, and other relevant conditions which designated conformity assessment bodies are required to continuously fulfil after the designation, as set out in the applicable laws,regulations and administrative provisions of the other Party specified in the relevant Sectoral Annex; and
(f) the term "verification" means an action to verify in the territories of the Parties, by such means as audits or inspections, compliance with the criteria for designation by a conformity assessment body.
2. Any term used in this Chapter, unless otherwise defined herein, has the meaning assigned to it in the ISO/IEC Guide 2: 1996 Edition, "Standardisation and related activities – General vocabulary".

Article 46. General Obligations

Each Party shall accept, in accordance with the provisions of this Chapter, the results of conformity assessment procedures required by the applicable laws,regulations and administrative provisions of that Party specified in the relevant Sectoral Annex, including certificates and marks of conformity, that are conducted by the registered conformity assessment bodies of the other Party.

Article 47. Scope of Chapter 6

1. This Chapter applies to designation of conformity assessment bodies and conformity assessment procedures for products or processes covered by its Sectoral Annexes. Sectoral Annexes may consist of Part A and Part B. Sectoral Annexes are attached to this Agreement as Annex III.
2. Part A of Sectoral Annexes shall include, *inter alia*,provisions on scope and coverage.
3. Part B of Sectoral Annexes shall set out the following matters:
(a) the applicable laws, regulations and administrative provisions of each Party concerning the scope and coverage;
(b) the applicable laws, regulations and administrative provisions of each Party stipulating the requirements covered by this Chapter, all the conformity assessment procedures covered by this Chapter to satisfy such requirements and the criteria for designation of conformity assessment bodies; and
(c) the list of Designating Authorities.

Article 48. Designating Authorities

Each Party shall ensure that Designating Authorities have the necessary power to designate, monitor (including verification), withdraw the designation of, suspend the designation of and withdraw the suspension of the designation of the conformity assessment bodies that conduct conformity assessment procedures based upon the requirements set out in the applicable laws, regulations and administrative provisions of the other Party specified in the relevant Sectoral Annex.

Article 49. Verification and Monitoring of Conformity Assessment Bodies

1. Each Party shall ensure, through appropriate means such as audits, inspections or monitoring, that the registered conformity assessment bodies fulfil the criteria for designation set out in the applicable laws, regulations and administrative provisions of the other Party specified in the relevant Sectoral Annex. When applying the criteria for designation of the conformity assessment bodies,Designating Authorities of a Party should take into account the bodies' understanding of and experience relevant to the requirements set out in the applicable laws, regulations and administrative provisions of the other Party.

2. Each Party may request the other Party, by indicating in writing a reasoned doubt on whether a registered conformity assessment body complies with the criteria for designation set out in the applicable laws, regulations and administrative provisions specified in the relevant Sectoral Annex, to conduct verification of the conformity assessment body in accordance with the laws, regulations and administrative provisions of that other Party.

3. Each Party may, upon request, participate as an observer in the verification of conformity assessment bodies conducted by the Designating Authorities of the other Party, with the prior consent of such conformity assessment bodies, in order to maintain a continuing understanding of that other Party's procedures for verification.

4. The Parties shall, in accordance with the procedures to be determined by the Joint Committee on Mutual Recognition (hereinafter referred to in this Chapter as"the Committee") to be established pursuant to Article 52,exchange information on methods, including accreditation systems, used to designate the conformity assessment bodies and to ensure that the registered conformity assessment bodies fulfil the criteria for designation.

5. Each Party should encourage its registered conformity assessment bodies to co-operate with the conformity assessment bodies of the other Party.

Article 50. Suspension of Designation

1. In case of suspension of the designation of a registered conformity assessment body, the Party whose Designating Authority has suspended the designation shall immediately notify the other Party and the Committee to that effect. The registration of that conformity assessment body shall be suspended from the time of receipt of the notification by the co-chairman of that other Party on the Committee. The other Party shall accept the results of the conformity assessment procedures conducted by that conformity assessment body prior to the suspension of the designation.
2. In case of lifting of the suspension of the designation of a registered conformity assessment body, the Party whose

Designating Authority has lifted the suspension of the designation shall immediately notify the other Party and the Committee to that effect. The suspension of the registration of that conformity assessment body shall be lifted from the time of receipt of the notification by the co-chairman of that other Party on the Committee. The other Party shall accept the results of the conformity assessment procedures conducted by that conformity assessment body from the time of lifting of the suspension of the registration.

Article 51. Contestation

1. Each Party may contest the compliance with the criteria for designation set out in the applicable laws,regulations and administrative provisions specified in the relevant Sectoral Annex by a registered conformity assessment body of the other Party. Such contestation shall be notified to the Committee and to that other Party in writing with an objective explanation of the reason for the contestation. The Committee shall discuss such contestation within 20 days following the date on which such notification is made.
2. Where the Committee decides to conduct a joint verification, it will be conducted in a timely manner by the Parties with the participation of the Designating Authority that designated the contested conformity assessment body and with the prior consent of the conformity assessment body. The result of such joint verification shall be discussed in the Committee with a view to resolving the issue as soon as possible.
3. The registration of the contested conformity assessment body shall be suspended 15 days after the date on which the notification is made or on the date on which the Committee decides to suspend the registration, whichever is the sooner. The registration of the contested conformity assessment body shall remain suspended until the Committee decides to lift the suspension of the registration of the conformity assessment body. In the event of such suspension, the contesting Party shall accept the results of conformity assessment procedures conducted by that conformity assessment body prior to the date of suspension.

Article 52. Joint Committee on Mutual Recognition

1. A Joint Committee on Mutual Recognition (referred to in this Chapter as "the Committee"), made up of representatives of both Parties, shall be established on the date of entry into force of this Agreement, as a body responsible for the effective implementation of this Chapter.
2. The Committee shall take decisions and adopt recommendations by consensus. It shall meet at the request of either Party under the co-chairmanship of both Parties. The Committee may establish sub-committees and delegate specific tasks to such sub-committees. It shall adopt its rules of procedure.
3. The Committee may consider any matter related to the operation of this Chapter. In particular, it shall be responsible for and/or decide on:
(a) registration of a conformity assessment body, suspension of registration of a conformity assessment body, lifting of suspension of registration of a conformity assessment body, and termination of registration of a conformity assessment body;
(b) establishment and, unless otherwise decided, publication on a sector-by-sector basis of lists of the registered conformity assessment bodies;
(c) establishment of appropriate modalities of information exchange referred to in this Chapter;and
(d) appointment of experts from each Party for the joint verification referred to in paragraph 2 of Article 51 above and sub-paragraph (c) of paragraph 1 of Article 53 below.
4. Without prejudice to Chapter 21, if any problem arises as to the interpretation or application of this Chapter, the Parties shall, first of all, seek an amicable solution through the Committee.
5. The Committee is responsible for co-ordinating and facilitating the negotiation of additional Sectoral Annexes.
6. Any decision made by the Committee will be notified promptly in writing to each Party.
7. The Parties shall, through the Committee:
(a) specify and communicate to each other the applicable articles or annexes contained in the laws, regulations and administrative provisions set out in the Sectoral Annexes;
(b) exchange information concerning the implementation of the applicable laws,regulations and administrative provisions specified in the Sectoral Annexes;
(c) notify each other of any scheduled changes in the laws, regulations and administrative provisions related to this Chapter prior to their entry into force; and (d) notify each other of any scheduled changes concerning their Designating Authorities and the registered conformity assessment bodies.

Article 53. Registration of Conformity Assessment Bodies

1. The following procedure shall apply to the registration of a conformity assessment body:
(a) each Party shall make a proposal that a conformity assessment body of that Party designated by its Designating

Authority be registered under this Chapter, by presenting its proposal in writing, supported by necessary documents, to the other Party and the Committee;
(b) the other Party shall consider whether the proposed conformity assessment body complies with the criteria for designation set out in the applicable laws, regulations and administrative provisions of that other Party specified in the relevant Sectoral Annex and indicate its position regarding the registration of that conformity assessment body within 90 days from the receipt of the proposal referred to in sub-paragraph (a)above. In such consideration, such other Party should assume that the proposed conformity assessment body complies with the aforementioned criteria. The Committee shall take a decision whether to register the proposed conformity assessment body within 90 days from the receipt of the proposal; and
(c) in the event that the Committee cannot decide to register the proposed conformity assessment body,the Committee may decide to conduct a joint verification or to request the proposing Party to conduct a verification of the proposed body with the prior consent of such body. After the completion of such verification, the Committee may reconsider the proposal.
2. The proposing Party shall provide the following in formation in its proposal for registration of a conformity assessment body and keep such information up to date:
(a) the name and address of the conformity assessment body;
(b) the products or processes the conformity assessment body is authorised to assess;
(c) the conformity assessment procedures the conformity assessment body is authorised to conduct; and (d) the designation procedure and necessary information used to determine the compliance of the conformity assessment body with the criteria for designation.
3. Each Party shall ensure that its Designating Authority withdraws the designation of a registered conformity assessment body when the Designating Authority considers that the conformity assessment body no longer complies withthe criteria for designation set out in the applicable laws,regulations and administrative provisions of the other Party specified in the relevant Sectoral Annex.
4. Each Party shall propose the termination of the registration of its conformity assessment body when that Party considers that the conformity assessment body no longer complies with the criteria for designation set out in the applicable laws, regulations and administrative provisions of the other Party specified in the relevant Sectoral Annex, or the Designating Authority of that Party withdraws the designation of a conformity assessment body.Proposals for terminating the registration of that conformity assessment body shall be made to the Committee and the other Party. The registration of that conformity assessment body shall be terminated upon receipt of the proposal by the co-chairman of that other Party on the Committee, unless otherwise determined by the Committee.
5. In the case of a registration of a new conformity assessment body, the other Party shall accept the results of conformity assessment procedures conducted by that conformity assessment body from the date of the registration. In the event that the registration of a conformity assessment body is terminated, the other Party shall accept the results of the conformity assessment procedures conducted by that conformity assessment body prior to the termination, without prejudice to paragraph 1 of Article 50 and paragraph 3 of Article 51.

Article 54. General Exceptions Under Chapter 6

Nothing in this Chapter shall be construed to limit the authority of a Party to take measures it considers appropriate, for protecting health, safety or the environment or prevention of deceptive practices.

Article 55. Miscellaneous Provisions Under Chapter 6

1. Nothing in this Chapter shall be construed so as to oblige a Party to accept the standards or technical regulations of the other Party.
2. Nothing in this Chapter shall be construed to entail an obligation upon a Party to accept the result of the conformity assessment procedures of any third country.
3. Nothing in this Chapter shall be construed so as to affect the rights and obligations that either Party has as a party to the Agreement on Technical Barriers to Trade in Annex 1A to the WTO Agreement.
4. Nothing in this Chapter shall be construed so as to prevent a Party from requiring a filing formality of products assessed by a registered conformity assessment body of the other Party under this Chapter, provided that such formality does not constitute conformity assessment procedures.

Article 56. Territorial Application

This Chapter shall apply to the territory of Japan and to the territory of the Republic of Singapore (hereinafter referred to in this Agreement as "Singapore").

Article 57. Sectoral Annexes

1. In case of conflict between the provisions of Part A of a Sectoral Annex and Articles 45 to 57, the provisions of Part A of the Sectoral Annex shall prevail.
2. If a Party introduces new or additional conformity assessment procedures within the same product coverage to satisfy the requirements set out in the applicable laws,regulations and administrative provisions specified in the relevant Sectoral Annex, Part B of the Sectoral Annex shall be amended to set out the applicable laws, regulations and administrative provisions stipulating such new or additional conformity assessment procedures, in accordance with the procedures set out in Article 151.

Chapter 7. Trade In Services

Article 58. Scope of and Definitions Under Chapter 7

1. This Chapter shall apply to measures by the Parties affecting trade in services.
2. In respect of air transport services, this Agreement shall not apply to measures affecting traffic rights,however granted; or to measures affecting services directly related to the exercise of traffic rights, other than measures affecting:
(a) aircraft repair and maintenance services;
(b) the selling and marketing of air transport services; and
(c) computer reservation system services.
3. This Chapter shall not apply to cabotage in maritime transport services.
4. Annexes IV A and IV B provide supplementary provisions to this Chapter with respect to measures affecting the supply of financial services and of telecommunications services respectively.
5. Government procurement of services shall be governed by Chapter 11.
6. For the purposes of this Chapter:
(a) the term "measure" means any measure by a Party,including those of taxation, whether in the form of a law, regulation, rule, procedure, decision,administrative action or any other form;
(b) the term "supply of a service" includes the production, distribution, marketing, sale and delivery of a service;
(c) the term "measures by a Party affecting trade in services" includes measures in respect of:
(i) the purchase, payment or use of a service;
(ii) the access to and use of, in connection with the supply of a service, services which are required by a Party to be offered to the public generally;
(iii) the presence, including commercial presence,of persons of a Party for the supply of a service in the territory of the other Party;
(d) the term "commercial presence" means any type of business or professional establishment, including through:
(i) the constitution, acquisition or maintenance of a juridical person; or
(ii) the creation or maintenance of a branch or a representative office; within the territory of a Party for the purpose of supplying a service;
(e) the term "sector" of a service means:
(i) with reference to a specific commitment, one or more, or all, sub sectors of that service,as specified in a Party's Schedule of specific commitments in Annex IV C; or
(ii) otherwise, the whole of that service sector,including all of its subsectors;
(f) the term "service supplier" means any person that supplies a service;(Note) Note: Where the service is not supplied directly by a juridical person but through other forms of commercial presence such as a branch or are presentative office, the service supplier (i.e.the juridical person) shall, nonetheless, through such presence be accorded the treatment provided for service suppliers. Such treatment shall be extended to the presence through which the service is supplied and need not be extended to any other parts of the supplier located outside the territory where the service is supplied.
(g) the term "service consumer" means any person that receives or uses a service;
(h) the term "service of the other Party" means a service which is supplied:
(i) from or in the territory of the other Party,or in the case of maritime transport, by a vessel registered under the laws of the other Party, or by a person of the other Party which supplies the service through the operation of a vessel or its use in whole or in part; or
(ii) in the case of the supply of a service through commercial presence or through the presence of natural persons, by a service supplier of the other Party;
(i) the term "person" means either a natural person or a juridical person;
(j) the term "service supplier of the other Party"means any natural person of the other Party or juridical person of the other Party, that supplies a service;
(k) the term "natural person of the other Party"means a natural person who resides in the territory of the other Party or elsewhere and who under the law of the other Party:
(i) in respect of Japan, is a national of Japan;and

(ii) in respect of Singapore, is a national of Singapore or has the right of permanent residence in Singapore;
(l) the term "juridical person" means any legal entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation,trust, partnership, joint venture, sole proprietorship or association;
(m) the term "juridical person of the other Party"means a juridical person which is either:
(i) constituted or otherwise organised under the law of the other Party and, if it is owned or controlled by natural persons of non-Parties or juridical persons constituted or otherwise organised under the law of non-Parties, is engaged in substantive business operations in the territory of either Party;or
(ii) in the case of the supply of a servicethrough commercial presence, owned or controlled by:
(A) natural persons of the other Party; or
(B) juridical persons of the other Party identified under sub-paragraph (i)above;
(n) a juridical person is:
(i) "owned" by persons of a Party if more than 50 percent of the equity interest in it is beneficially owned by persons of that Party;
(ii) "controlled" by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions;
(iii) "owned by natural persons of non-Parties" if more than 50 percent of the equity interest in it is beneficially owned by natural persons of non-Parties;
(iv) "controlled by natural persons of non-Parties" if such natural persons have the power to name a majority of its directors or otherwise to legally direct its actions;
(v) "affiliated" with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person;
(o) the term "trade in services" means the supply of a service:
(i) from the territory of one Party into the territory of the other Party ("cross-bordermode");
(ii) in the territory of one Party to the service consumer of the other Party ("consumption abroad mode");
(iii) by a service supplier of one Party, through commercial presence in the territory of the other Party ("commercial presence mode");
(iv) by a service supplier of one Party, through presence of natural persons of that Party in the territory of the other Party ("presence of natural persons mode");
(p) the term "measures by a Party" means measures taken by:
(i) central or local governments; and
(ii) non-governmental bodies in the exercise of powers delegated by central or local governments; in fulfilling its obligations and commitments under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Chapter by its local governments and nongovernmental bodies in the exercise of powers delegated by its central or local governments within its territory;
(q) the term "services" includes any service in any sector except services supplied in the exercise of governmental authority;
(r) the term "a service supplied in the exercise of governmental authority" means any service which is supplied neither on a commercial basis nor in competition with one or more service suppliers;
(s) the term "aircraft repair and maintenance services" means such activities when undertaken on an aircraft or a part thereof while it is withdrawn from service and does not include so-called line maintenance;
(t) the term "selling and marketing of air transport services" means opportunities for the air carrier concerned to sell and market freely its air transport services including all aspects of marketing such as market research, advertising and distribution. These activities do not include the pricing of air transport services nor the applicable conditions;
(u) the term "computer reservation system services"means services provided by computerised systems that contain information about air carriers' schedules, availability, fares and fare rules,through which reservations can be made or tickets may be issued;
(v) the term "traffic rights" means the rights for scheduled and non-scheduled services to operate or to carry passengers, cargo and mail for remuneration or hire from, to, within, or over the territory of a Party, including points to be served, routes to be operated, types of traffic to be carried, capacity to be provided, tariffs to be charged and their conditions, and criteria for designation of airlines, including such criteria as number, ownership and control;
(w) the term "monopoly supplier of a service" means any person, public or private, which in the relevant market of the territory of a Party is authorised or established formally or in effect by that Party as the sole supplier of that service; and
(x) the term "direct taxes" comprises all taxes on total income, on total capital or on elements of income or of capital, including taxes on gains from the alienation of property, taxes on estates,inheritances and gifts, and taxes on the total amounts of wages or salaries paid by enterprises,as well as taxes on capital appreciation.

Article 59. Market Access

1. With respect to market access through the modes of supply defined in sub-paragraph (o) of paragraph 6 of Article 58

above, each Party shall accord services and service suppliers of the other Party treatment no less favourable than that provided for under the terms,limitations and conditions agreed and specified in its Schedule of specific commitments in Annex IV C. (Note) Note: If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in (i) of sub-paragraph (o) of paragraph 6 of Article 58 above and if the cross-border movement of capital is an essential part of the service itself, that Party is thereby committed to allow such movement of capital. If a Party undertakes a market-access commitment in relation to the supply of a service through the mode of supply referred to in (iii) of sub-paragraph (o) of paragraph 6 of Article 58 above, it is thereby committed to allow related transfers of capital into its territory.
2. In sectors where market-access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in its Schedule of specific commitments in AnnexIV C, are defined as:
(a) limitations on the number of service suppliers whether in the form of numerical quotas,monopolies, exclusive service suppliers or the requirements of an economic needs test;
(b) limitations on the total value of service transactions or assets in the form of numerical quotas or the requirement of an economic needs test;
(c) limitations on the total number of service operations or on the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test;(Note) Note: Sub-paragraph (c) of paragraph 2 of Article 59 does not cover measures of a Party which limit inputs for the supply of services.
(d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;
(e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and
(f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

Article 60. National Treatment Under Chapter 7

1. In the sectors inscribed in its Schedule of specific commitments in Annex IV C, and subject to any conditions and qualifications set out therein, each Party shall accord to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers.

(Note) Note: Specific commitments assumed under Article 60 shall not be construed to require either Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant services or service suppliers.

2. A Party may meet the requirement of paragraph 1 above by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.
3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of a Party compared to like services or service suppliers of the other Party.
4. A Party may not invoke paragraphs 1, 2 and 3 above under Chapter 21 with respect to a measure of the other Party that falls within the scope of an international agreement between them relating to the avoidance of double taxation.

Article 61. Additional Commitments

The Parties may negotiate commitments with respect to measures affecting trade in services not subject to scheduling under Articles 59 and 60 above, including those regarding qualifications, standards or licensing matters. Such commitments shall be inscribed in a Party's Schedule of specific commitments in Annex IV C.

Article 62. Service Suppliers of Any Non-party

Each Party shall also accord treatment granted under this Chapter to a service supplier other than those of the Parties, that is a juridical person constituted under the laws of either Party, and who supplies a service through commercial presence, provided that it engages in substantive business operations in the territory of either Party.

Article 63. Schedule of Specific Commitments Under Chapter 7

1. Each Party shall set out in a schedule the specific commitments it undertakes under Articles 59, 60 and 61.With respect to sectors where such commitments are undertaken, each Schedule of specific commitments in AnnexIV C shall specify:
(a) terms, limitations and conditions on market access;
(b) conditions and qualifications on national treatment;
(c) undertakings relating to additional commitments;and (d) where appropriate, the time-frame for implementation of such commitments.
2. Measures inconsistent with both Articles 59 and 60 shall be inscribed in the column relating to Article 59.This inscription will be considered to provide a condition or qualification to Article 60 as well.
3. Schedules of specific commitments shall be annexed to this Agreement as Annex IV C.
4. (a) If a Party has entered into an international agreement on trade in services with a non-Party,or enters into such an agreement after this Agreement comes into force, it shall favourably consider according to services and service suppliers of the other Party, treatment no less favourable than the treatment that it accords to like services and service suppliers of that non-Party pursuant to such an agreement.
(b) An international agreement referred to in subparagraph (a) above shall not include an agreement on the avoidance of double taxation or provisions on the avoidance of double taxation in any other international agreement or arrangement by which the Party is bound.

Article 64. Domestic Regulation

1. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner.
2. Each Party shall maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Party shall ensure that the procedures in fact provide for an objective and impartial review.
3. The provisions of paragraph 2 above shall not be construed to require a Party to institute such tribunals or procedures where this would be inconsistent with its constitutional structure or the nature of its legal system.
4. Where authorisation is required for the supply of a service on which a specific commitment has been made, the competent authorities of a Party shall, within a reasonable period of time after the submission of an application considered complete under that Party's domestic laws and regulations, inform the applicant of the decision concerning the application. At the request of the applicant, the competent authorities of the Party shall provide, without undue delay, information concerning the status of the application.
5. In sectors where a Party has undertaken specific commitments subject to any terms, limitations, conditions or qualifications set out therein, the Party shall not apply licensing and qualification requirements and technical standards that nullify or impair such specific commitments in a manner which:
(a) does not comply with the following criteria:
(i) based on objective and transparent criteria, such as competence and the ability to supply the service;
(ii) not more burdensome than necessary to ensure the quality of the service; or
(iii) in the case of licensing procedures, not in themselves a restriction on the supply of the service; and
(b) could not reasonably have been expected of that Party at the time the specific commitments in those sectors were made.
6. In determining whether a Party is in conformity with its obligations under paragraph 5 above, account shall be taken of international standards of relevant international organisations (Note) applicable to that Party.

Note: The term "relevant international organisations" refers to international bodies whose membership is open to the relevant bodies of both Parties.

Article 65. Monopolies and Exclusive Service Suppliers

1. Each Party shall ensure that any monopoly supplier of a service in its territory does not, in the supply of the monopoly service in the relevant market, act in a manner inconsistent with the Party's specific commitments.
2. Where a Party's monopoly supplier competes, either directly or through an affiliated company, in the supply of a service outside the scope of its monopoly rights and which is subject to that Party's specific commitments, the Party shall ensure that such a supplier does not abuse its monopoly position to act in its territory in a manner inconsistent with such commitments.

3. If a Party has reason to believe that a monopoly supplier of a service of the other Party is acting in a manner inconsistent with paragraph 1 or 2 above, it may request the other Party to provide specific information concerning the relevant operations.
4. The provisions of this Article shall also apply to cases of exclusive service suppliers, where a Party, formally or in effect:
(a) authorises or establishes a small number of service suppliers; and
(b) substantially prevents competition among those suppliers in its territory.

Article 66. Business Practices

1. The Parties recognise that certain business practices of service suppliers, other than those falling under Article 65 above, may restrain competition and thereby restrict trade in services.
2. A Party shall, at the request of the other Party, enter into consultations with a view to eliminating practices referred to in paragraph 1 above. The Party addressed shall accord full and sympathetic consideration to such a request and shall co-operate through the supply of publicly available non-confidential information of relevance to the matter in question. The Party addressed shall also provide other information available to the requesting Party, subject to its domestic law and to the conclusion of a satisfactory agreement concerning the safeguarding of its confidentiality by the requesting Party.

Article 67. Payments and Transfers

1. Except under the circumstances envisaged in Article 68below, a Party shall not apply restrictions on international transfers and payments for current transactions relating to its specific commitments.
2. Nothing in this Chapter shall affect the rights and obligations of the Parties as members of the International Monetary Fund (hereinafter referred to in this Chapter as"the Fund") under the Articles of Agreement of the Fund, including the use of exchange actions which are in conformity with the Articles of Agreement of the Fund, provided that a Party shall not impose restrictions on any capital transactions inconsistently with its specific commitments regarding such transactions, except under Article 68 below, or at the request of the Fund.

Article 68. Restrictions to Safeguard the Balance of Payments Under Chapter 7

1. In the event of serious balance-of-payments and external financial difficulties or threat thereof, a Party may adopt or maintain restrictions on trade in services on which it has undertaken specific commitments, including on payments or transfers for transactions related to such commitments.
2. The restrictions referred to in paragraph 1 above:
(a) shall not discriminate between the Parties;
(b) shall ensure that the other Party is treated as favourably as any non-Party;
(c) shall be consistent with the Articles of Agreement of the Fund;
(d) shall avoid unnecessary damage to the commercial, economic and financial interests of the other Party;
(e) shall not exceed those necessary to deal with the circumstances described in paragraph 1 above; and (f) shall be temporary and be phased out progressively as the situation specified in paragraph 1 above improves.
3. In determining the incidence of such restrictions, a Party may give priority to the supply of services which are more essential to their economic or development programmes. However, such restrictions shall not be adopted or maintained for the purpose of protecting a particular service sector.
4. Any restrictions adopted or maintained under paragraph1 of this Article, or any changes therein, shall be promptly notified to the other Party.
5. Where a Party has adopted restrictions pursuant to paragraph 1 of this Article:
(a) that Party shall commence consultations with the other Party promptly in order to review the restrictions adopted by the former Party;
(b) the restrictions shall be subjected to annual review through further consultations, beginning one year after the date that the consultations referred to in sub-paragraph (a) above commenced. At these consultations, all restrictions applied for balance-of-payments purposes shall be reviewed. The Parties may also agree to a different frequency of such consultations;
(c) such consultations shall assess the balance-of payments situation of the Party concerned and the restrictions adopted or maintained under this Article, taking into account, inter alia, such factors as:
(i) the nature and extent of the balance-of payments and the external financial difficulties;
(ii) the external economic and trading environment of the consulting Party; and
(iii) alternative corrective measures which may be available;
(d) the consultations shall address the compliance of the restrictions with paragraph 2 of this Article, in particular the progressive phaseout of restrictions in accordance with sub-paragraph (f)of paragraph 2 of this Article; and
(e) in such consultations, all findings of statistical and other facts presented by the Fund relating to foreign exchange, monetary reserves and balance-of-payments, shall be accepted and conclusions shall be based on the assessment by the

Fund of the balance-of-payments and the external financial situation of the consulting Party.

Article 69. General Exceptions Under Chapter 7

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in services between the Parties, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:
(a) necessary to protect public morals or to maintain public order; (Note)

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.

(b) necessary to protect human, animal or plant life or health;
(c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:
(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on services contracts;
(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
(iii) safety;
(d) inconsistent with Article 60, provided that the difference in treatment is aimed at ensuring the equitable or effective (Note) imposition or collection of direct taxes in respect of services or service suppliers of the other Party.

Note: Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which:
(i) apply to non-resident service suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory;
(ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory;
(iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures;
(iv) apply to consumers of services supplied in or from the territory of the other Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory;
(v) distinguish service suppliers subject to tax on worldwide taxable items from other service suppliers, in recognition of the difference in the nature of the tax base between them; or
(vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base. Tax terms or concepts in sub-paragraph (d) of paragraph 1 of Article 69 and in this note are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

2. In the application of paragraph 1 above, the relevant interpretations and operation of the WTO Agreement shall, where appropriate, be taken into account.

Article 70. Denial of Benefits

A Party may deny the benefits of this Chapter:
(a) to the supply of any service, if it establishes that the service is supplied from or in the territory of a non-Party;
(b) in the case of the supply of a maritime transport service, if it establishes that the service is supplied:
(i) by a vessel registered under the laws of anon-Party, and
(ii) by a person which operates or uses the vessel in whole or in part but which is of anon-Party;
(c) to any service supplier that is a juridical person, if it establishes that the service supplier is neither a "service supplier of the other Party" as defined in sub-paragraph (j) of paragraph 6 of Article 58 nor a "service supplier other than those of the Parties" granted benefits under Article 62.

Chapter 8. Investment

Article 71. Scope of Chapter 8

1. This Chapter shall apply to measures adopted ormaintained by a Party relating to:

(a) investors of the other Party in the territory ofthe former Party; and
(b) investments of investors of the other Party inthe territory of the former Party.
2. This Chapter shall not apply to government procurement.
3. Movement of natural persons who are investors shall begoverned by Chapter 9.

Article 72. Definitions Under Chapter 8

For the purposes of this Chapter:
(a) the term "investments" means every kind of asset owned or controlled, directly or indirectly, by an investor, including:
(i) an enterprise;
(ii) shares, stocks or other forms of equity participation in an enterprise, including rights derived therefrom;
(iii) bonds, debentures, and loans and other forms of debt, (Note) including rights derived the refrom;
(iv) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts;
(v) claims to money and claims to any performance under contract

(Note) having a financial value; Note: For the purposes of this Chapter, "loans and other forms of debt" described in (iii) of sub-paragraph (a) of Article 72 and "claims to money and claims to any performance under contract" described in (v) of sub-paragraph (a) of Article 72 refer to assets which relate to a business activity and do not refer to assets which are of a personal nature, unrelated to any business activity.

(vi) intellectual property rights, including trademarks, industrial designs, layout-designs of integrated circuits, copyrights, patents, trade names, indications of source or geographical indications and undisclosed information;
(vii) rights conferred pursuant to laws and regulations or contracts such as concessions, licences, authorisations, and permits; and
(viii) any other tangible and intangible, movable and immovable property, and any related property rights, such as leases, mortgages, liens and pledges;
(b) the term "investments" also includes 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;
(c) the term "investor" means any person that seeks to make, is making, or has made, investments;
(d) the term "person" means either a natural person or an enterprise;
(e) the term "investor of the other Party" means any natural person of the other Party or any enterprise of the other Party;
(f) the term "natural person of the other Party"means a natural person who resides in the territory of the other Party or elsewhere and who under the law of the other Party:
(i) in respect of Japan, is a national of Japan;and
(ii) in respect of Singapore, is a national of Singapore or has the right of permanent residence in Singapore;
(g) the term "enterprise" means any legal person or any other entity duly constituted or otherwise organised under applicable law, whether for profit or otherwise, and whether privately-ownedor controlled or governmentally-owned or controlled, including any corporation, trust, partnership, joint venture, sole proprietorship, association, organisation, company or branch;
(h) the term "enterprise of the other Party" means any enterprise duly constituted or otherwise organised under applicable law of the other Party, except an enterprise owned or controlled by persons of non-Parties and not engaging in substantive business operations in the territory of the other Party; and
(i) an enterprise is:
(i) "owned" by persons of non-Parties if more than 50 percent of the equity interest in itis beneficially owned by persons of non-Parties; and
(ii) "controlled" by persons of non-Parties if such persons have the power to name amajority of its directors or otherwise to legally direct its actions.

Article 73. National Treatment Under Chapter 8

Each Party shall within its territory accord to investors of the other Party and to their investments in relation to the establishment, acquisition, expansion, management, operation, maintenance, use, possession, liquidation, sale, or other disposition of investments, treatment no less favourable than the treatment which it accords in like circumstances to its own investors and investments (hereinafter referred to in this Chapter as"national treatment").

Article 74. Access to the Courts of Justice

Each Party shall within its territory accord to investors of the other Party treatment no less favourable than the treatment which it accords in like circumstances to its own investors, with respect to access to its courts of justice and administrative tribunals and agencies in all degrees of jurisdiction both in pursuit and in defence of such investors' rights.

Article 75. Prohibition of Performance Requirements

1. Neither Party shall impose or enforce any of the following requirements as a condition for the establishment, acquisition, expansion, management, operation, maintenance, use or possession of investments in its territory of an investor of the other Party:
(a) to export a given level or percentage of goods or services;
(b) to achieve a given level or percentage of domestic content;
(c) to purchase or use goods produced or services provided in the territory of the former Party, or to purchase goods or services from natural or legal persons in the territory of the former Party;
(d) to relate the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with such investments;
(e) to restrict sales of goods or services in the territory of the former Party that such investments produce or provide by relating such sales to the volume or value of its exports or foreign exchange earnings;
(f) to transfer technology, a production process or other proprietary knowledge to a natural or legal person of the former Party, 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 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;
(g) to locate its headquarters for a specific region or the world market in the territory of the former Party;
(h) to achieve a given level or value of research and development in the territory of the former Party;or
(i) to supply one or more of the goods that it produces or the services that it provides to a specific region outside the territory of the former Party exclusively from the territory of the former Party.
2. Each Party is not precluded by paragraph 1 above from conditioning the receipt or continued receipt of an advantage, in connection with investments in its territory of an investor of the other Party, on compliance with any of the requirements set forth in sub-paragraphs (f) through (i) of paragraph 1 above.
3. Nothing in this Article shall be construed so as to derogate from the obligations of the Parties under the Agreement on Trade Related Investment Measures in Annex 1Ato the WTO Agreement.

Article 76. Specific Exceptions

1. Articles 73 and 75 shall not apply to investors and investments, in respect of:
(a) any exception specified by the Parties in Annexes V A and V B; and
(b) an amendment or modification to any exception referred to in sub-paragraph (a) above, provided that the amendment or modification does not decrease the level of conformity of the exception with Articles 73 and 75.
2. The exceptions referred to in sub-paragraph (a) of paragraph 1 above shall include the following elements, to the extent that these elements are applicable:
(a) sector or matter;
(b) obligation or article in respect of which the exception is taken;
(c) legal source or authority of the exception; and
(d) succinct description of the exception.
3. If a Party makes an amendment or modification referred to in sub-paragraph (b) of paragraph 1 of this Article, that Party shall, prior to the implementation of the amendment or modification, or in exceptional circumstances, as soon as possible thereafter:
(a) notify the other Party of the elements set out in paragraph 2 above; and
(b) provide to the other Party, upon request, particulars of the amended or modified exception.
4. Each Party shall endeavour, where appropriate, to reduce or eliminate the exceptions specified in Annexes V A and V B respectively.

Article 77. Expropriation and Compensation

1. Each Party shall accord to investments in its territory of investors of the other Party fair and equitable treatment and full protection and security.
2. Neither Party shall expropriate or nationalise investments in its territory of an investor of the other Party or take any measure equivalent to expropriation or nationalisation (hereinafter referred to in this Chapter as"expropriation") except for

a public purpose, on a nondiscriminatory basis, in accordance with due process of law, and upon payment of compensation in accordance with this Article.
3. Compensation shall be equivalent to the fair market value of the expropriated investments. The fair market value shall not reflect any change in market value occurring because the expropriation had become publicly known earlier, but may, insofar as such expropriation relates to land, reflect the market value before the expropriation occurred, the trend in the market value, and adjustments to the market value in accordance with the laws of the expropriating Party concerning expropriation.
4. The compensation shall be paid without delay and shall carry an appropriate interest taking into account the length of time from the time of expropriation until the time of payment. It shall be effectively realisable and freely transferable and shall be freely convertible, at the market exchange rate prevailing on the date of the expropriation, into the currency of the Party of the investors concerned and freely usable currencies defined in the Articles of Agreement of the International Monetary Fund.
5. The investors affected by expropriation shall have aright of access to the courts of justice or the administrative tribunals or agencies of the Party making the expropriation to seek a prompt review of the investor's case or the amount of compensation that has been assessedi n accordance with the principles set out in this Article.

Article 78. Repurchase of Leases

If an agency of the government of a Party responsible for leasing industrial land repurchases a lease hold interest in land owned by an investor of the other Party, that agency shall take into consideration the following matters:
(a) the value attributable to the remaining period of such leasehold interest;
(b) priority allocation by the agency of a suitable, alternative property for the investor; and
(c) reasonable relocation costs that would be incurred by the investor in relocating to the alternative property within the territory of the Party.

Article 79. Protection from Strife

1. Each Party shall accord to investors of the other Party that have suffered loss or damage relating to their investments in the territory of the former Party due to armed conflict, or state of emergency such as revolution, insurrection and civil disturbance, treatment, as regards restitution, indemnification, compensation or any other settlement, that is no less favourable than that which it accords to its own investors.
2. Any payments made pursuant to paragraph 1 above shall be effectively realisable, freely convertible and freely transferable.

Article 80. Transfers

1. Each Party shall allow all payments relating to investments in its territory of an investor of the other Party to be freely transferred into and out of its territory without delay. Such transfers shall include:
(a) the initial capital and additional amounts to maintain or increase investments;
(b) profits, capital gains, dividends, royalties, interests and other current incomes accruing from investments;
(c) proceeds from the total or partial sale or liquidation of investments;
(d) payments made under a contract including loan payments in connection with investments;
(e) earnings of investors of a Party who work in connection with investments in the territory of the other Party;
(f) payments made in accordance with Articles 77 and 79; and
(g) payments arising out of the settlement of a dispute under Article 82.
2. Each Party shall allow transfers to be made without delay in a freely usable currency at the market rate of exchange prevailing on the date of transfer.
3. Notwithstanding paragraphs 1 and 2 above, a Party may delay or prevent a transfer through the equitable, nondiscriminatory and good-faith application of its laws relating to:
(a) bankruptcy, insolvency or the protection of the rights of creditors;
(b) the issuing, trading or dealing in securities;
(c) criminal matters;
(d) ensuring compliance with orders or judgements in adjudicatory proceedings; or
(e) obligations of investors arising from social security and public retirement plans.

Article 81. Subrogation

1. If a Party or its designated agency makes a payment to any of its investors pursuant to an indemnity, guarantee or contract of insurance, arising from or pertaining to an investment of that investor within the territory of the other Party, the

other Party shall:
(a) recognise the assignment, to the former Party or its designated agency, of any right or claim of such investor that formed the basis of such payment; and
(b) recognise the right of the former Party or its designated agency 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. Paragraphs 2 to 5 of Article 77, and Articles 79 and80, shall apply mutatis mutandis as regards payment to be made to the Party or its designated agency first mentioned in paragraph 1 above by virtue of such assignment of right or claim, and the transfer of such payment.

Article 82. Settlement of Investment Disputes between a Party and an Investor of the other Party

1. For the purposes of this Chapter, an investment dispute is a dispute between a Party and an investor of the other Party that has incurred loss or damage by reason of, or arising out of, an alleged breach of any right conferred by this Chapter with respect to the investments of the investor of that other Party.
2. In the event of an investment dispute, such investment dispute shall, as far as possible, be settled amicably through consultations between the parties to the investment dispute.
3. If an investment dispute cannot be settled through such consultations within five months from the date on which the investor requested for the consultations in writing, and if the investor concerned has not submitted the investment dispute for resolution
(i) under administrative or judicial settlement, or
(ii) in accordance with any applicable, previously agreed dispute settlement procedures, that investor may either:
(a) request the establishment of an arbitral tribunal in accordance with the procedures set out in Annex V C and submit the investment dispute to that tribunal;
(b) submit the investment dispute to conciliation or arbitration in accordance with the provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States done at Washington, March 18, 1965(hereinafter referred to in this Chapter as "the ICSID Convention"), so long as the ICSID Convention is in force between the Parties, or conciliation or arbitration under the Additional Facility Rules of the International Centre for Settlement of Investment Disputes (hereinafter referred to in this Chapter as "ICSID") so long as the ICSID Convention is not in force between the Parties; or (c) submit the investment dispute to arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law, adopted by the United Nations Commission on International Trade Law on April 28, 1976.
4. Each Party hereby consents to the submission of investment disputes to international conciliation or arbitration as provided for in paragraph 3 above, in accordance with the provisions of this Article, provided that:
(a) less than three years have elapsed since the date the investor knew or ought to have known, whichever is the earlier, of the loss or damage which, it is alleged, has been incurred by the investor; and
(b) in the case of arbitration in accordance with the provisions of the ICSID Convention referred to in sub-paragraph (b) of paragraph 3 above, if the Chairman of ICSID is asked to appoint an arbitrator or arbitrators pursuant to Article 38or 56(3) of the ICSID Convention, the Chairman:
(i) allows both the Party and the investor to each indicate up to three nationalities, the appointment of arbitrators of which pursuant to Article 38 or 56(3) of the ICSID Convention is unacceptable to it; and
(ii) does not appoint as arbitrator any person who is, by virtue of sub-paragraph (i) above, excluded by either the Party or the investor or both the Party and the investor.
5. When the condition set out in sub-paragraph (a) of paragraph 4 above is not met, the consent given in paragraph 4 above shall be invalidated.
6. When the conditions set out in sub-paragraph (b) of paragraph 4 of this Article are not met, the consent to arbitration by ICSID given in paragraph 4 of this Article shall be invalidated. In such circumstances, a different method of dispute settlement can be chosen from among those methods provided for in paragraph 3 of this Article other than ICSID arbitration.
7. Paragraphs 3 and 4 of this Article shall not apply if an investor which is an enterprise of a Party owned or controlled by persons of non-Parties submits an investment dispute with respect to its investments in the territory of the other Party, unless the investments concerned have been established, acquired or expanded in the territory of that other Party. 8. An investor to an investment dispute who intends to submit an investment dispute pursuant to paragraph 3 of this Article shall give to the Party that is a party to the investment dispute written notice of intent to do so at least 90 days before the claim is submitted.
The notice of intent shall specify:
(a) the name and address of the investor concerned;
(b) the specific measures of that Party at issue and a brief summary of the factual and legal basis of the dispute sufficient to present the problem clearly, including the provisions of this Chapter alleged to have been breached; and

(c) the dispute settlement procedures set forth in sub-paragraph (a), (b) or (c) of paragraph 3 of this Article which the investor will seek.
9. When an investor of a Party submits an investment dispute pursuant to paragraph 3 of this Article and the disputing Party invokes Article 84 or 85, the arbitrators to be selected shall, on the request of the disputing Party or investor, have the necessary expertise relevant to the specific financial matters under dispute.
10. (a) The award shall include:
(i) a judgement whether or not there has been a breach by a Party of any rights conferred by this Chapter in respect of the investor of the other Party and its investments; and
(ii) a remedy if there has been such breach.
(b) The award rendered in accordance with subparagraph (a) above shall be final and binding upon the Party and the investor, except to the extent provided for in sub-paragraphs (c) and (d)below.
(c) Where an award provides that there has been a breach by a Party of any rights conferred by this Chapter in respect of the investor of the other Party and its investments, the Party to the dispute is entitled to implement the award through one of the following remedies, in lieu of the remedy indicated pursuant to (ii) of subparagraph (a) of this paragraph:
(i) pecuniary compensation, including interest from the time the loss or damage was incurred until time of payment;
(ii) restitution in kind; or
(iii) pecuniary compensation and restitution in combination, provided that:
(A) the Party notifies the investor, within30 days after the date of the award,that it will implement the award through one of the remedies indicated in (i), (ii) or (iii) of this subparagraph; and
(B) where the Party chooses to implement the award in accordance with (i) or (iii) of this sub-paragraph, the Party and the investor agree as to the amount of pecuniary compensation, or in lieu of such agreement, a decision pursuant to sub-paragraph (d) below is made.
(d) If the Party and the investor are unable to agree, within 60 days after the date of the award, as to the amount of pecuniary compensation as provided for in (B) of sub-paragraph (c) above, the matter may be referred, by either the Party or the investor, to the arbitral tribunal that rendered the award. The award on the amount of pecuniary compensation in accordance with this paragraph is final and binding on both the Party and the investor.
(e) The award shall be executed by the applicable laws and regulations concerning the execution of such awards in force in the Party in whose territory such execution is sought.
11. Nothing in this Article shall be construed so as to prevent an investor to an investment dispute from seeking administrative or judicial settlement within the territory of the Party that is a party to the investment dispute.
12. Neither Party shall give diplomatic protection, or bring an international claim, in respect of an investment dispute which one of its investors and the other Party shall have consented to submit or shall have submitted to arbitration under this Article, unless such other Party shall have failed to abide by and comply with the award rendered in such dispute. Diplomatic protection, for the purposes of this paragraph, shall not include informal diplomatic exchanges for the sole purpose of facilitating a settlement of the dispute.

Article 83. General Exceptions Under Chapter 8

1. Subject to the requirement that such measures are notapplied in a manner which would constitute a means ofarbitrary or unjustifiable discrimination against the otherParty, or a disguised restriction on investments ofinvestors of a Party in the territory of the other Party,nothing in this Chapter shall be construed to prevent theadoption or enforcement by either Party of measures:
(a) necessary to protect public morals or to maintainpublic order;(Note)

Note: The public order exception may be invoked only wherea genuine and sufficiently serious threat is posedto one of the fundamental interests of society.

(b) necessary to protect human, animal or plant life or health;
(c) necessary to secure compliance with the laws or regulations which are not inconsistent with the provisions of this Agreement 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;
(iii) safety;
(d) relating to prison labour;
(e) imposed for the protection of national treasures of artistic, historic, or archaeological value;
(f) to conserve exhaustible natural resources if such measures are made effective in conjunction with restrictions on

domestic production or consumption.
2. In cases where a Party takes any measure pursuant to paragraph 1 above or Article 4, which it implements after this Agreement comes into force, such Party shall make reasonable effort to notify the other Party of the description of the measure either before such measure is taken or as soon as possible thereafter, if such measure could affect investments or investors of the other Party in respect of obligations made under this Chapter.

Article 84. Temporary Safeguard

1. A Party may adopt or maintain measures in consistent with its obligations provided for in Article 73 relating to cross-border capital transactions or Article 80:
(a) in the event of serious balance-of-payments or external financial difficulties or threat thereof; or
(b) where, in exceptional circumstances, movements of capital result in serious economic and financial disturbance in the Party concerned.
2. The measures referred to in paragraph 1 above:
(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 described in paragraph 1 above;
(c) shall be temporary and shall be eliminated as soon as conditions permit;
(d) shall promptly be notified to the other Party;
(e) shall not discriminate between the Parties;
(f) shall ensure that the other Party is treated as favourably as any non-Party; and (g) shall avoid unnecessary damage to the commercial, economic and financial interests of the other Party.
3. Nothing in this Chapter shall be regarded as affecting the rights enjoyed and obligations undertaken by a Party as a party to the Articles of Agreement of the International Monetary Fund.

Article 85. Prudential Measures

1. Notwithstanding any other provisions of this Chapter, a Party shall not be prevented from taking measures 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.
2. Where such measures do not conform with the provisions of this Chapter, they shall not be used as a means of avoiding the Party's commitments or obligations under this Chapter.

Article 86. Intellectual Property Rights

Notwithstanding the provisions of Article 73, the Parties agree in respect of intellectual property rights that national treatment as provided for in that Article shall apply only to the extent as provided for in the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement.

Article 87. Taxation Measures as Expropriation

1. Article 77 shall apply to taxation measures, to the extent that such taxation measures constitute expropriation as provided for in paragraph 2 of Article 77.
2. Where paragraph 1 above applies, Articles 74, 82, 88and paragraph 1 of Article 89 shall also apply in respect of taxation measures.

Article 88. Joint Committee on Investment

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Investment (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing the implementation and operation of this Chapter;
(b) reviewing the specific exceptions under paragraph1 of Article 76 for the purpose of contributing to the reduction or elimination, where appropriate, of such exceptions, and encouraging favourable conditions for investors of both Parties; and (c) discussing other investment related issues concerning this Chapter.
2. The Committee may decide to hold a joint meeting with the private sector.

Article 89. Application of Chapter 8

1. In fulfilling the obligations under this Chapter, each Party shall take such reasonable measures as are available to it to

ensure observance by its local governments and non-governmental bodies in the exercise of power delegated by central or local governments within its territory.
2. If a Party has entered into an international agreement on investment with a non-Party, or enters into such an agreement after this Agreement comes into force, it shall favourably consider according to investors of the other Party and to their investments, treatment, in relation to the establishment, acquisition, expansion, management, operation, maintenance, use, possession, liquidation, sale, or other disposition of investments, no less favourable than the treatment that it accords in like circumstances to investors of that non-Party and their investments pursuant to such an agreement.

Chapter 9. Movement of Natural Persons

Article 90. Scope of Chapter 9

1. This Chapter applies to measures affecting the movement of natural persons of a Party who enter the territory of the other Party for business purposes.
2. This Agreement shall not apply to measures regarding nationality or citizenship, residence on a permanent basis or employment on a permanent basis.

Article 91. Definitions Under Chapter 9

The term "natural person of the other Party" means a natural person who resides in the territory of the other Party or elsewhere and who under the law of the other Party:
(a) in respect of Japan, is a national of Japan; and
(b) in respect of Singapore, is a national of Singapore or has the right of permanent residence in Singapore.

Article 92. Specific Commitments Under Chapter 9

1. Each Party shall set out in Part A of Annex VI the specific commitments it undertakes for: (a) short-term business visitors of the other Party; and
(b) intra-corporate transferees of the other Party.
2. Each Party shall set out in Part B of Annex VI the specific commitments it undertakes, to be implemented in accordance with its laws and regulations, for:
(a) investors of the other Party; and
(b) natural persons of the other Party who engage in work on the basis of a personal contract with public or private organisations in its territory.
3. Natural persons covered by a specific commitment referred to in paragraphs 1 and 2 above shall be granted entry and stay in accordance with the terms and conditions of the specific commitment.
4. The specific commitments referred to in paragraphs 1and 2 of this Article shall apply only to sectors where specific commitments referred to in Article 63 are undertaken under Chapter 7 and no specific exceptions are made under Chapter 8.

Article 93. Mutual Recognition of Professional Qualifications

1. A Party may recognise the education or experience obtained, requirements met, or licences or certifications granted in the territory of the other Party for the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorisation, licensing or certification of natural persons with professional qualifications.
2. Recognition referred to in paragraph 1 above, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement between the Parties or may be accorded unilaterally.
3. Where a Party recognises, by agreement or arrangement or unilaterally, the education or experience obtained, requirements met or licences or certifications granted in the territory of a non-Party, the Party shall accord the other Party an adequate opportunity to demonstrate that the education or experience obtained, requirements met or licences or certifications granted in the territory of the other Party should also be recognised.

Article 94. Joint Committee on Mutual Recognition of Professional Qualifications

1. For the purposes of effective implementation of Article 93 above, a Joint Committee on Mutual Recognition of Professional Qualifications (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing the issues concerning the effective implementation of Article 93 above;

(b) identifying and recommending areas for and ways of furthering co-operation between the Parties;and
(c) discussing other issues relating to the implementation of Article 93 above.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Article 95. General Provisions for Chapter 9

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Party, or a disguised restriction on trade in services between the Parties or on investments of investors of a Party in the territory of the other Party, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:
(a) necessary to protect public morals or to maintain public order; (Note)

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.

(b) necessary to protect human, animal or plant life or health;
(c) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:
(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on services contracts;
(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;
(iii) safety.
2. This Chapter shall not prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that such measures are not applied in such a manner as to nullify or impair the benefits accruing to the other Party under the terms of a specific commitment.(Note)

Note: The sole fact of requiring a visa for natural persons of acertain nationality or citizenship and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

Chapter 10. Intellectual Property

Article 96. Areas and Forms of Co-operation Under Chapter 10

1. The Parties, recognising the growing importance of intellectual property (hereinafter referred to in this Chapter as "IP") as a factor of economic competitiveness in the knowledge-based economy, and of IP protection in this new environment, shall develop their co-operation in the field of IP.
2. The areas of the co-operation pursuant to paragraph 1above may include:
(a) patents, trade secrets and related rights;
(b) trade marks and related rights;
(c) repression of unfair competition;
(d) copyright, designs and related rights;
(e) IP brokerage or licensing, IP management, registration and exploitation, and patent mapping;
(f) IP protection in the digital environment and the growth and development of e-commerce; (g) technology and market intelligence; and
(h) IP education and awareness programmes.
3. The forms of the co-operation under paragraph 1 of this Article may include:
(a) exchanging information and sharing experiences on IP and on relevant IP events, activities and initiatives organised in their respective territories;
(b) jointly undertaking training and exchanging of experts in the field of IP for the purposes of contributing to a better understanding of each Party's IP policies and experiences; and
(c) disseminating information, sharing experiences and conducting training on IP enforcement.

Article 97. Joint Committee on Intellectual Property

1. For the purposes of effective implementation of this Chapter, a Joint Committee on IP (hereinafter referred to in this

Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) overseeing and reviewing the co-operation and implementation of this Chapter;
(b) providing advice to the Parties with regard to the implementation of this Chapter;
(c) considering and recommending new areas of cooperation under this Chapter; and (d) discussing other issues relating to IP.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Article 98. Facilitation of Patenting Process

1. Singapore shall, in accordance with its laws and regulations, take appropriate measures to facilitate the patenting process of an application filed in Singapore that corresponds to an application filed in Japan.
2. The details of such measures taken by Singapore pursuant to paragraph 1 above shall be specified in the Implementing Agreement.

Article 99. Facilitation of the Use of Ip Databases

The Parties shall take appropriate measures, as set out in the Implementing Agreement, to facilitate the use of the Parties' IP databases open to the public.

Article 100. Costs of Co-operative Activities Under Chapter 10

Costs of co-operative activities shall be borne in such manner as may be mutually agreed.

Chapter 11. Government Procurement

Article 101. Scope of Chapter 11

1. Paragraph 2 of Article I, and Article II to Article XXIII of the Agreement on Government Procurement in Annex 4to the WTO Agreement (hereinafter referred to in this Agreement as "the GPA") (except for sub-paragraph (b) of paragraph 1 of Article III, Article V, paragraph 2 of Article XVI, paragraph 5 of Article XIX, Article XXI, Article XXII and paragraph 1 of Article XXIII) shall apply *mutatis mutandis* to procurement of goods and services specified in Annex VII A, by entities specified in AnnexVII B. The thresholdfor a procurement covered by the provisions of this Chapter is SDR 100,000.
2. Where entities specified in Annex VII B, in the context of procurement covered under this Agreement, require enterprises not included in Annex VII B to award contracts in accordance with particular requirements, Article III of the GPA (except for sub-paragraph (b) of paragraph 1) shall apply mutatis mutandis to such requirements.
3. When an entity listed in Annex VII B is privatised, this Chapter shall no longer apply to that entity. A Party shall notify the other Party of the name of such entity before it is privatised or as soon as possible thereafter.
4. For the purposes of paragraph 3 above, a government entity is construed as privatised if it has been reconstituted to be a legal person operating commercially and is no longer entitled to exercise governmental authority, even though the government possesses holdings thereof or appoints members of the board of directors thereto.
5. Nothing in this Chapter shall be construed so as to derogate from the obligations of the Parties as parties to the GPA.

Article 102. Exchange of Information on Government Procurement

The government officials of the Parties responsible for procurement policy shall meet upon the request of either Party and, subject to the laws and regulations of each Party, exchange information in respect of government procurement.

Chapter 12. Competition

Article 103. Anti-competitive Activities

1. Each Party shall, in accordance with its applicable laws and regulations, take measures which it considers appropriate against anti-competitive activities, in order to facilitate trade and investment flows between the Parties and the efficient functioning of its markets.
2. Each Party shall, when necessary, endeavour to review and improve or to adopt laws and regulations to effectively control anti-competitive activities.

Article 104. Co-operation on Controlling Anti-competitive Activities

1. The Parties shall, in accordance with their respective laws and regulations, co-operate in the field of controlling anti-competitive activities subject to their available resources.
2. The sectors, details and procedures of co-operation under this Chapter shall be specified in the Implementing Agreement.
3. Pursuant to paragraph 1 of this Article, the Parties shall exchange information as provided for in the Implementing Agreement with respect to the implementation of this Chapter. Article 3 shall not apply to such exchange of information.

Article 105. Dispute Settlement

The dispute settlement procedures provided for in Chapter 21 shall not apply to this Chapter.

Chapter 13. Financial Services Co-operation

Article 106. Co-operation In the Field of Financial Services

The Parties shall co-operate in the field of financial services with a view to:
(a) promoting regulatory co-operation in the field of financial services;
(b) facilitating development of financial markets, including capital markets, in the Parties and in Asia; and
(c) improving financial market infrastructure of the Parties.

Article 107. Regulatory Co-operation

1. The Parties shall promote regulatory co-operation in the field of financial services, with a view to:
(a) implementing sound prudential policies, and enhancing effective supervision of financial institutions of either Party operating in the territory of the other Party;
(b) responding properly to issues relating to globalisation in financial services, including those provided by electronic means;
(c) maintaining an environment that does not stifle legitimate financial market innovations; and (d) conducting oversight of global financial institutions to minimise systemic risks and to limit contagion effects in the event of crises.
2. As a part of regulatory co-operation as set out in paragraph 1 above, the Parties shall, in accordance with their respective laws and regulations, co-operate in sharing information on securities markets and securities derivatives markets of the respective Parties as provided for in the Implementing Agreement, for the purposes of contributing to the effective enforcement of the securities laws of each Party.
3. Articles 2 and 3 and Chapter 21 shall not apply to the co-operation between the Parties in sharing information on securities markets and securities derivatives markets as set out in paragraph 2 above.

Article 108. Capital Market Development

The Parties, recognising a growing need to enhance the competitiveness of their capital markets and to preserve and strengthen their stability in rapidly evolving global financial transactions, shall co-operate in facilitating the development of the capital markets in the Parties with a view to fostering sound and progressive capital markets and improving their depth and liquidity.

Article 109. Improvement of Financial Market Infrastructure

The Parties, recognising that efficient and reliable financial market infrastructure will facilitate trade and investment, shall co-operate in strengthening their financial market infrastructure.

Article 110. Development of Regional Financial Markets Including Capital Markets

The Parties, recognising the importance of stable and well-functioning financial markets, including capital markets, shall co-operate with a view to contributing to further development of cross-border financial activities in Asia and to regional financial stability.

Article 111. Joint Committee on Financial Services Co-operation

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Financial Services Cooperation (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall include:
(a) reviewing and discussing issues concerning the effective implementation of this Chapter;
(b) identifying and recommending to the Parties areas for further co-operation; and (c) discussing other issues relating to

financial services co-operation between the Parties.
2. The Committee may establish expert working groups to examine specific issues and initiatives in detail.
3. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 14. Information and Communications Technology

Article 112. Co-operation In the Field of Ict

The Parties, recognising the rapid development, led by the private sector, of ICT and of business practices concerning ICT-related services both in the domestic and the international contexts, shall co-operate to promote the development of ICT and ICT-related services with a view to obtaining the maximum benefit of the use of ICT for the Parties.

Article 113. Areas and Forms of Co-operation Under Chapter 14

1. The areas of co-operation pursuant to Article 112 above may include the following:
(a) promotion of electronic commerce;
(b) promotion of the use by consumers, the public sector and the private sector, of ICT-related services, including newly emerging services; and
(c) human resource development relating to ICT.
2. The Parties may set out, in the Implementing Agreement, specific areas of co-operation which they deem important.
3. The forms of co-operation pursuant to Article 112above may include the following:
(a) promoting dialogue on policy issues;
(b) promoting co-operation between the private sectors of the Parties;
(c) enhancing co-operation in international for are lating to ICT; and
(d) undertaking other appropriate co-operative activities.

Article 114. Joint Committee on Ict

1. For the purposes of effective implementation of this Chapter, a Joint Committee on ICT (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing issues concerning the effective implementation of this Chapter; (b) identifying ways of further co-operation between the Parties in the field of ICT; and
(c) discussing other issues relating to ICT.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 15. Science and Technology

Article 115. Co-operation In the Field of Science and Technology

1. The Parties, recognising that science and technology, particularly in advanced areas, will contribute to the continued expansion of their respective economies in the medium and long term, shall develop and promote cooperative activities between the governments of the Parties(hereinafter referred to in this Chapter as "Co-operative Activities") for peaceful purposes in the field of science and technology on the basis of equality and mutual benefit. 2. The Parties shall also encourage, where appropriate,other co-operative activities between parties, one or both of whom are entities in their respective territories other than the governments of the Parties (hereinafter referred to in this Chapter as "Other Co-operative Activities").

Article 116. Areas and Forms of Co-operative Activities Under Chapter 15

The Parties may agree on the areas and forms of Cooperative Activities, which are to be specified in the Implementing Agreement.

Article 117. Joint Committee on Science and Technology

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Science and Technology (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing the co-operative relationship in the field of scientific and technological development of the Parties and the progress of Co-operative Activities and Other Cooperative Activities;

(b) exchanging views and information on scientific and technological policy issues;
(c) providing advice to the Parties with regard to the implementation of this Chapter, which may include identification and recommendation of Cooperative Activities and encouragement of their implementation;
(d) discussing ways of encouraging Other Co-operative Activities, especially in the areas that the Parties consider important; and
(e) discussing other issues relating to science and technology.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Article 118. Protection and Distribution of Intellectual Property Rights and other Rights of a Proprietary Nature

1. Scientific and technological information of a non-proprietary nature arising from Co-operative Activities maybe made available to the public by the government of either Party.
2. In accordance with the applicable laws and regulations of the Parties and with relevant international agreements to which the Parties are, or may become parties, the Parties shall ensure the adequate and effective protection, and give due consideration to the distribution, of intellectual property rights or other rights of a proprietary nature resulting from the Co-operative Activities undertaken pursuant to this Chapter. The Parties shall consult for this purpose as necessary.

Article 119. Costs of Co-operative Activities Under Chapter 15

1. The implementation of this Chapter shall be subject to the availability of appropriated funds and the applicable laws and regulations of each Party.
2. Costs of Co-operative Activities shall be borne in such manner as may be mutually agreed.

Article 120. Implementing Arrangements

Implementing arrangements setting forth the details and procedures of Co-operative Activities under this Chapter may be made between the government agencies of the Parties.

Chapter 16. Human Resource Development

Article 121. Co-operation In the Field of Human Resource Development

The Parties, recognising that sustainable economic growth and prosperity largely depend on people's knowledge and skills, shall develop co-operation between the governments of the Parties and encourage mutually beneficial co-operation between parties, one or both of whom are entities in their respective territories other than the governments of the Parties, in the field of human resource development.

Article 122. Exchanges of Persons

1. The Parties shall encourage exchanges of their scholars, teachers, students, members of educational institutions and other persons engaging in scientific or educational activities.
2. The Parties shall also encourage co-operation and exchanges between their youth and youth organisations with a view to promoting friendship between them.

Article 123. Co-operation between Educational and Research Institutions

The Parties shall encourage close co-operation between their educational and research institutions.

Article 124. Exchanges of Government Officials

The Parties shall promote exchanges of their government officials with a view to enhancing mutual understanding of the policies of their respective governments. The details of the exchanges of such government officials shall be specified in the Implementing Agreement.

Article 125. Ageing Population

The Parties shall exchange views and experiences on policy issues concerning an aging population.

Chapter 17. Trade and Investment Promotion

Article 126. Co-operation In the Field of Trade and Investment Promotion

The Parties shall co-operate in promoting trade and investment activities by private enterprises of the Parties, recognising that efforts of the Parties to facilitate exchange and collaboration between private enterprises of the Parties will act as a catalyst to promote trade and investment in Japan, Singapore and Asia.

Article 127. Review and Recommendation Under Chapter 17

1. The Parties recognise that certain co-operation between parties, one or both of whom are entities in their respective territories other than the governments of the Parties, could contribute to trade and investment promotion between the Parties. Such co-operation shall be specified in the Implementing Agreement.

2. The Parties shall review the co-operation set forth in paragraph 1 above and, where appropriate, recommend ways or areas of further co-operation between the parties to such co-operation.

Article 128. Joint Committee on Trade and Investment Promotion

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Trade and Investment Promotion (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) exchanging views and information on trade and investment promotion;
(b) reviewing and discussing issues concerning the effective implementation of this Chapter;

(c) identifying and recommending ways of further cooperation between the Parties; and
(d) discussing other issues relating to co-operation in trade and investment promotion.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 18. Small and Medium Enterprises

Article 129. Co-operation In the Field of Small and Medium Enterprises

The Parties, recognising the fundamental role of small and medium enterprises (hereinafter referred to in this Chapter as "SMEs") in maintaining the dynamism of their respective national economies, shall co-operate in promoting close co-operation between SMEs of the Parties.

Article 130. Review and Recommendation Under Chapter 18

1. The Parties recognise that certain co-operation between parties, one or both of whom are entities in their respective territories other than the governments of the Parties, could contribute to close co-operation between SMEs of the Parties. Such co-operation shall be specified in the Implementing Agreement.
2. The Parties shall review the co-operation set forth in paragraph 1 above and, where appropriate, recommend ways or areas of further co-operation between the parties to such co-operation.

Article 131. Facilitation of Smes Investment

The Parties, recognising the geographical position of Singapore in Southeast Asia, shall co-operate in facilitating investments of Japanese SMEs in Singapore, with a view to enabling SMEs of both Parties to co-operate in their businesses, especially in Southeast Asia. The Parties shall likewise co-operate to facilitate investments of Singapore SMEs in Japan.

Article 132. Joint Committee on Smes

1. For the purposes of effective implementation of this Chapter, a Joint Committee on SMEs (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing issues concerning the effective implementation of this Chapter;
(b) exchanging views and information on the promotion of SMEs co-operation;
(c) identifying and recommending ways of further cooperation between the Parties; and
(d) discussing other issues relating to SMEs cooperation.

2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 19. Broadcasting

Article 133. Co-operation In the Field of Broadcasting

The Parties, recognising both the potential of broadcasting as a means for promoting understanding between the Parties and the rapid development of innovative broadcasting services, shall encourage co-operation in the field of broadcasting between the Parties.

Article 134. Exchange of Views between Regulatory Authorities

The Parties, recognising that mutual understanding of the broadcasting services in the respective Parties will enhance the ability of competent authorities of the Parties to work together, and that strengthening the relationship between regulatory authorities of the Parties will enable the Parties to better cope with the emergence of new broadcasting services, shall exchange views and information on issues relating to the field of broadcasting, which may include:
(a) broadcasting policy issues; and
(b) newly emerging broadcasting services.

Article 135. Joint Committee on Broadcasting

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Broadcasting (hereinafter referred to in this Article as "the Committee") shall be established. The functions of the Committee shall be:
(a) reviewing and discussing the co-operative relationship between the Parties in the field of broadcasting;
(b) identifying and recommending further co-operationare as between the Parties; and
(c) discussing other issues concerning the effective implementation of this Chapter.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 20. Tourism

Article 136. Co-operation In the Field of Tourism

The Parties, recognising that tourism will contribute to the enhancement of mutual understanding between the Parties and that tourism is an important industry for their economies, shall co-operate to promote and develop tourism in the Parties.

Article 137. Tourism Promotion and Development

The Parties shall encourage co-operation between parties, one or both of whom are entities in their respective territories other than the governments of the Parties, concerning the promotion and development of tourism in the Parties.

Article 138. Joint Committee on Tourism

1. For the purposes of effective implementation of this Chapter, a Joint Committee on Tourism (hereinafter referred to in this Article as "the Committee") shall be established.
The functions of the Committee shall be:
(a) reviewing and discussing issues concerning the effective implementation of this Chapter;

(b) exchanging views and information on promotion and development of tourism;
(c) identifying and recommending ways of further cooperation between the Parties; and
(d) discussing other issues relating to tourism.
2. The composition of the Committee shall be specified in the Implementing Agreement.

Chapter 21. Dispute Avoidance and Settlement

Article 139. Scope of Chapter 21

1. This Chapter shall apply with respect to the avoidance and settlement of disputes between the Parties concerning the interpretation or application of this Agreement or the Implementing Agreement.

2. Nothing in this Chapter shall prejudice any rights of the Parties to have recourse to dispute settlement procedures available under any other international agreement to which they are parties.
3. Notwithstanding paragraph 2 above, once a dispute settlement procedure has been initiated under this Chapter or under any other international agreement to which the Parties are parties with respect to a particular dispute, that procedure shall be used to the exclusion of any other procedure for that particular dispute. However, this does not apply if substantially separate and distinct rights or obligations under different international agreements are in dispute.
4. Paragraph 3 above shall not apply where the Parties expressly agree to the use of more than one dispute settlement procedure in respect of a particular dispute.

Article 140. General Consultations for the Avoidance and Settlement of Disputes

1. For the purpose of avoiding disputes, a Party may request consultations with the other Party with regard to any matter on the interpretation or application of this Agreement or the Implementing Agreement.
2. When a Party requests consultations pursuant to paragraph 1 above, the other Party shall afford adequate opportunity for consultations and shall reply promptly to the request and enter into consultations in good faith.
3. If the Parties fail to resolve any matter through consultations, either Party may request a meeting of the Consultative Committee established pursuant to paragraph 4below. The Consultative Committee shall convene within 30 days after the date of receipt of the request, with a view to a prompt and satisfactory resolution of the matter.
4. To facilitate the implementation of this Chapter, the Parties establish the Consultative Committee, which shall consist of representatives of each Party, including one legal expert designated by each Party.
5. The procedure provided for in this Article shall not be applicable if, in respect of the same dispute, the procedure provided for in Article 142 has already been initiated.

Article 141. Good Offices, Conciliation or Mediation

1. Good offices, conciliation or mediation may be requested at any time by either Party. They may begin at any time if the Parties agree. The use of good offices, conciliation or mediation may be terminated at any time at the request of either Party.
2. If the Parties agree, good offices, conciliation or mediation may continue while procedures of the arbitral tribunal provided for in this Chapter are in progress.

Article 142. Special Consultations for Dispute Settlement

1. For the purpose of settling disputes, either Party may make a request in writing for consultations to the other Party if the requesting Party considers that any benefit accruing to it directly or indirectly under this Agreement or the Implementing Agreement is being nullified or impaired, as a result of failure of the requested Party to carry out its obligations, or as a result of the application by the requested Party of measures which conflict with its obligations, under this Agreement or the Implementing Agreement.
2. Unless the Parties agree otherwise, the requested Party shall:
(a) enter into consultations within 30 days after the date of receipt of the request for consultations made pursuant to paragraph 1 above; or
(b) enter into consultations within 10 days after the date of receipt of the request for consultations made pursuant to paragraph 1 above if the procedure provided for in Article 140 was utilised in respect of the same dispute and 60 days or more have elapsed from the date of the initiation of consultations under that Article.
3. The Parties shall make every effort to reach a mutually satisfactory resolution through consultations.
4. Where there is an infringement of the obligations assumed under this Agreement or the Implementing Agreement, such infringement is considered prima facie to constitute a case of nullification or impairment.

Article 143. Establishment of Arbitral Tribunals

1. Unless otherwise agreed by the Parties, if the Parties fail to resolve a dispute through consultations provided for in Article 142 above, either Party may request the establishment of an arbitral tribunal in respect of that dispute:
(a) after 60 days from the date on which the requested Party receives the request for consultations made pursuant to sub-paragraph (a)of paragraph 2 of Article 142 above; or
(b) after 30 days from the date on which the requested Party receives the request for consultations made pursuant to sub-paragraph (b)of paragraph 2 of Article 142 above.

2. Any request to establish an arbitral tribunal pursuant to this Article shall identify:

(a) the legal basis of the complaint including the provisions of this Agreement or the Implementing Agreement alleged to have been breached and any other relevant provisions; and (b) the factual basis for the complaint.

3. The Parties shall, within 30 days after the date of receipt of the request for the establishment of an arbitral tribunal, appoint one arbitrator each. If one Party fails to so appoint an arbitrator, the legal expert designated by that Party pursuant to paragraph 4 of Article 140 shall be appointed as an arbitrator.

4. The Parties shall agree on and designate a third arbitrator, who shall chair the arbitral tribunal. If the Parties fail to agree on the third arbitrator, each Party shall prepare and exchange with the other Party, a list of five persons whom that Party can accept as the third arbitrator. The third arbitrator shall be chosen in the following manner:
(a) if only one name is common to both lists, that person, if available, will be chosen as the third arbitrator;
(b) if more than one name appears on both lists, the Parties shall consult for the purpose of agreeing on the third arbitrator from such names;
(c) if the Parties are not able to reach agreement in accordance with sub-paragraph (b) above or if there is no name common to both lists, or the arbitrator agreed upon or chosen is not available and the Parties cannot decide on a replacement for the arbitrator that is not available, then the two arbitrators appointed pursuant to paragraph 3 above shall agree on the third arbitrator; and
(d) if the arbitrators are not able to reach agreement on the third arbitrator, the third arbitrator shall be chosen by random drawing in accordance with the procedure agreed to by the Parties for this purpose in the Implementing Agreement.
5. The third arbitrator shall be appointed within 40 days after the date of appointment of the second arbitrator.
6. The third arbitrator shall not, unless the Parties agree otherwise, be a national of either of the Parties, nor have his or her usual place of residence in the territory of either of the Parties, nor be employed by either Party, nor have dealt with the dispute in any capacity.
7. The arbitral tribunal should be composed of arbitrators with relevant technical or legal expertise.

Article 144. Functions of Arbitral Tribunals

1. The arbitral tribunal established pursuant to Article143 above:
(a) should consult with the Parties as appropriate and provide adequate opportunities for thedevelopment of a mutually satisfactoryresolution;
(b) shall make its award in accordance with this Agreement, the Implementing Agreement, andapplicable rules of international law;
(c) shall set out, in its award, its findings of lawand fact, together with the reasons therefor; and (d) may, apart from giving its findings, include inits award suggested implementation options forthe Parties to consider in conjunction withArticle 147.

2. The Parties agree that the award of the arbitraltribunal shall be final and binding on the Parties.

3. The arbitral tribunal may seek, from the Parties, suchrelevant information as it considers necessary andappropriate. The Parties shall respond promptly and fullyto any request by an arbitral tribunal for such informationas the arbitral tribunal considers necessary andappropriate.

4. The arbitral tribunal may seek information from anyrelevant source and may consult experts to obtain theiropinion on certain aspects of the matter. With respect tofactual issues concerning a scientific or other technicalmatter raised by a Party, the arbitral tribunal may requestadvisory reports in writing from an expert or experts. The arbitral tribunal may, at the request of a Party or propriomotu, select, in consultation with the Parties, no fewerthan two scientific or technical experts who shall assistthe arbitral tribunal throughout its proceedings, but whoshall not have the right to vote in respect of any decisionto be made by the arbitral tribunal, including its award.

5. The deliberations of the arbitral tribunal shall be confidential. The award of the arbitral tribunal shall be drafted without the presence of the Parties, and in thelight of the information provided and the statements made.

6. The arbitral tribunal shall issue its award within 120 days of its establishment, unless the dispute is settledotherwise or the proceeding of the arbitral tribunal isterminated in accordance with Article 146. When the arbitral tribunal is unable to issue its award within 120 days, the arbitral tribunal may, in consultation with theParties, agree to delay the issuance of its award by nomore than 30 days.

7. The arbitral tribunal shall accord equal opportunityto the Parties to review the award in draft form. 8. The arbitral tribunal shall attempt to make itsdecisions, including its award, by consensus but may alsomake such decisions, including its award, by majority vote.

Article 145. Proceedings of Arbitral Tribunals

1. The arbitral tribunal shall meet in closed session. 2. The deliberations of the arbitral tribunal and the documents submitted to it shall be kept confidential. 3. Notwithstanding paragraph 2 above, either Party maymake public statements as to its views regarding thedispute, but shall treat as confidential, information andwritten submissions submitted by the other Party to thearbitral tribunal which that other Party has designated asconfidential. Where a Party has provided information orwritten submissions designated to be confidential, theother Party may request a non-confidential summary of theinformation or written submissions which may be disclosedpublicly. The Party to whom such a request is made mayagree to such a request and submit such a summary, orrefuse the request without needing to ascribe any reasonsor justification. 4. The Parties shall be given the opportunity to attendany of the presentations, statements or rebuttals in theproceeding. Any information or written submissionssubmitted by a Party to the arbitral tribunal, includingany comments on the descriptive part of the draft award andresponses to questions put by the arbitral tribunal, shallbe made available to the other Party.

Article 146. Termination of Proceedings

Even if the arbitral tribunal has been established and is proceeding with the procedure provided for in Article145 above, the Parties may agree to terminate theproceedings at any time by jointly so notifying the chairof the arbitral tribunal.

Article 147. Implementation of Chapter 21

1. The award of the arbitral tribunal made pursuant to Article 144 (hereinafter referred to in this Chapter as"the original award") shall be complied with promptly. A Party which is required by the arbitral tribunal to comply with its award (hereinafter referred to in this Chapter as"the implementing Party") shall, within 20 days after the date of issuance of the original award, notify the other Party (hereinafter referred to in this Chapter as "the other Party") as to the period which it assesses to be reasonable and necessary in order to implement the original award. Such period may: (a) extend to 12 months only if administrative or legislative measures have to be undertaken; (b) be extended or shortened if the Parties agree that special circumstances so justify; or (c) give rise to a request for consultations if the other Party considers the period notified to be unacceptable, in which case the Parties shall enter into consultations within 10 days after the date of receipt of the request.
2. If the implementing Party considers that compliance with the original award is impracticable, it shall, instead of notifying the period for implementing the award in accordance with paragraph 1 above, promptly enter into consultations with the other Party, with a view to developing a mutually acceptable resolution, through compensation or any alternative arrangement, and agreeing on a reasonable period to implement such resolution.
3. If the other Party considers that the measures taken by the implementing Party to comply with the original award do not comply with the original award, it may request consultations.
4. Either Party may refer matters arising from the implementation of the original award to an arbitral tribunal if:
(a) consultations were initiated under sub-paragraph (c) of paragraph 1 of this Article, and the Parties fail to reach agreement on the period for implementation within 20 days after the date of receipt of the request;
(b) consultations were initiated under paragraph 2 of this Article, and the Parties fail to reach agreement on a mutually acceptable resolution or the period for its implementation within 30 days after the date of the initiation of consultations;
(c) consultations were initiated under paragraph 3 above, and the Parties fail to resolve the matter, and at least 30 days have elapsed since the date of the expiration of the period for implementation provided for in paragraph 1 of this Article; or (d) the Party that is requested to enter into consultations refuses to do so where required pursuant to paragraph 1, 2 or 3 above.
5. If the arbitral tribunal convened pursuant to subparagraph (c) of paragraph 4 above confirms that the implementing Party has failed to comply with the original award within the implementation period as determined pursuant to paragraph 1 or sub-paragraph (a) of paragraph 4above, the other Party may, within 30 days from the date of such confirmation by the arbitral tribunal, notify the implementing Party that it intends to suspend the application to the implementing Party of the obligations of the other Party under this Agreement or the Implementing Agreement.
6. If the implementing Party has failed to implement the compensation or other alternative arrangement within the implementation period as determined pursuant to paragraph 2or sub-paragraph (b) of paragraph 4 of this Article, the other Party may, within 30 days from the date of the expiration of such implementation period, notify the implementing Party that it intends to suspend the application to the implementing Party of the obligations of the other Party under this Agreement or the Implementing Agreement.
7. Suspension pursuant to paragraphs 5 and 6 above may only be implemented at least 30 days after the date of the notification in accordance with that paragraph.

Such suspension:
(a) shall not be effected if, in respect of the dispute to which the suspension relates, consultations, or proceedings before an arbitral tribunal are in progress;

(b) shall be temporary, and shall be discontinued when the Parties reach a mutually satisfactory resolution or where compliance with the original award is effected;
(c) shall be restricted to the level of nullification or impairment that is attributable to the failure to comply with the original award; and
(d) shall be restricted to the same sector or sectors to which the nullification or impairment relates, unless it is not practicable or effective to suspend obligations in such sector or sectors.
8. If the implementing Party considers that the requirements in paragraph 5, 6 or 7 above have not been met, it may request consultations with the other Party. The other Party shall enter into consultations within 10 days after the date of receipt of the request. If the Parties fail to resolve matters within 30 days after the date of receipt of the request for consultations pursuant to this paragraph, either Party may refer the matter to an arbitral tribunal.
9. The arbitral tribunal that is convened for the purpose of this Article shall, wherever possible, have as its members, the members of the original arbitral tribunal. If this is not possible, then the members to the arbitral tribunal shall be appointed pursuant to paragraphs 3 to 7of Article 143. Unless the Parties agree to a different period, such arbitral tribunal shall issue its award within60 days after the date when the matter is referred to it.

Article 148. Expenses

Unless the Parties agree otherwise, the expenses of the arbitral tribunal, including the remuneration of its members, shall be borne by the Parties in equal shares.

Chapter 22. Final Provisions

Article 149. Headings

The headings of the Chapters and the Articles and paragraphs of this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

Article 150. Status of Annexes

The Annexes to this Agreement shall form an integral part of this Agreement.

Article 151. Amendment

This Agreement may be amended by agreement between the Parties. If the amendments relate only to the following areas, the amendments may be made by diplomatic notes exchanged between the Government of Japan and the Government of Singapore:
(a) Annexes II A and II B; and
(b) changes of laws, regulations and administrative provisions or Designating Authorities specified in Part B of the Sectoral Annexes in Annex III.

Article 152. Entry Into Force

This Agreement shall enter into force on the 30th day after the date on which the Government of Japan and the Government of Singapore exchange diplomatic notes informing each other that their respective legal procedures necessary for entry into force of this Agreement have been completed. It shall remain in force unless terminated as provided for in Article 153 below.

Article 153. Termination

Either Party may terminate this Agreement by giving one year's advance notice in writing to the other Party.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

DONE at Singapore on this 13th day of January, 2002, in duplicate in the Japanese and English languages, both texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For Japan:

For Singapore: