

WORLD TRADE ORGANIZATION

S/DCS/W/JPN
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Trade in Services

Original: English

JAPAN

Draft consolidated Schedule of Specific Commitments¹

Attached is a draft consolidated version of the Schedule of Specific Commitments of Japan in word format. This document does not substitute for the legally binding commitments undertaken by Japan in its Schedule of Specific Commitments (GATS/SC/46; GATS/SC/46/Suppl.2; GATS/SC/46/Suppl.3)

The draft consolidated version of the Schedule was prepared by the Secretariat, at the request of Members, to facilitate the process of negotiations, including the presentation of initial offers.

¹ This document has been prepared, in English only, under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

Note for transparency

- (i) Alphabets and numbers indicated in each sector-specific commitments are reference to Services Sectoral Classification List (GATT Secretariat's Documents MTN.GNS/W/120, dated 10 July 1991) and Provisional Central Product Classification (Statistical Papers Series M No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York, 1991). These alphabetical and numerical divisions are indicated to enhance the clarity in the description of specific commitments, but shall not be construed as being a part of the specific commitments.
 - (ii) The modes of supply 1), 2), 3) and 4) indicated in this schedule of specific commitments correspond respectively to the supply of services defined under paragraph 2.a), b), c) and d) of Article I of this Agreement.
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JAPAN – SCHEDULE OF SPECIFIC COMMITMENTS

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
I. HORIZONTAL COMMITMENTS			
ALL SECTORS INCLUDED IN THIS SCHEDULE	<p>4) Unbound except for measures concerning the entry and temporary stay of a natural person who falls in one of the following categories:</p> <p>(a) A natural person who has been employed by a juridical person of a Member other than Japan for a period of not less than one year immediately preceding the date of his application for the entry and temporary stay in Japan, and who is being transferred, for a period not exceeding 5 years, to a branch office or a juridical person constituted or registered in Japan owned or controlled by the aforementioned juridical person of a Member other than Japan, provided that he will be engaged in one of the following activities:</p> <p>(i) Activities to direct a branch office as its head;</p> <p>(ii) Activities to direct a juridical person as its board member or auditor;</p> <p>(iii) Activities to direct one or more departments or a juridical person;</p>	<p>3) Unbound for research and development subsidies</p> <p>4) Unbound except for measures concerning the categories of natural persons referred to in the market access column</p> <p>Unbound for research and development subsidies</p>	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(iv) Activities which require technology and/or knowledge at an advanced level pertinent to physical sciences, engineering or other natural sciences; and</p> <p>(v) Activities which require knowledge at an advanced level pertinent to jurisprudence, economics, business management, accounting or other humanities sciences.</p> <p>(b) A natural person who has been employed by a juridical person of a Member other than Japan or has been a partner in it for a period not less than one year immediately preceding the date of his application for the entry and temporary stay in Japan, and who is being transferred to Japan, for a period not exceeding 5 years and who will return to the aforementioned juridical person of a Member other than Japan upon the expiration of the said period, provided that he will be engaged in one of the following activities of professional services which may be engaged only as a natural person and not as an employee:</p> <p>(i) Legal services supplied by a lawyer qualified as "Bengoshi" under Japanese law;</p> <p>(ii) Consultancy on law of jurisdiction where the service supplier is a qualified lawyer;</p>		

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(iii) Legal services supplied by a patent attorney qualified as "Benrishi" under Japanese law;</p> <p>(iv) Legal services supplied by a maritime procedure agent qualified as "Kaijidairishi" under Japanese law;</p> <p>(v) Accounting, auditing and bookkeeping services supplied by an accountant qualified as "Koninkaikeishi" under Japanese law; and</p> <p>(vi) Taxation services supplied by a tax accountant qualified as "Zeirishi" under Japanese law.</p> <p>(c) A natural person who stays in Japan for a time period not exceeding 90 days without acquiring remuneration from within Japan and without engaging in making direct sales to the general public or in supplying services himself, for the purposes of participating in business contacts including negotiations for the sale of services and/or other similar activities including those to prepare for establishing commercial presence in Japan.</p> <p>Activities which require technology or knowledge at an advanced level pertinent to natural or humanities sciences referred to in (a) (iv) and (v) mean: activities in which the natural person may not be able to engage without the application of specialized technology or knowledge of natural or humanities sciences acquired by him, in principle, by completing college education (i.e. bachelor's degree) or higher education.</p>		

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
II. SECTOR SPECIFIC COMMITMENTS			
1. BUSINESS SERVICES			
A. <u>Professional Services</u>			
(a) Legal services supplied by a lawyer qualified as "Bengoshi" under Japanese law (861)	1) Services must be supplied by a natural person. Commercial presence is required. 2) Services must be supplied by a natural person. Commercial presence is required. 3) Services must be supplied by a natural person. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS Commercial presence is required.	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(a) Consultancy on law of jurisdiction where the service supplier is a qualified lawyer	1) Services must be supplied by a natural person. Commercial presence is required. 2) Services must be supplied by a natural person. Commercial presence is required. 3) Services must be supplied by a natural person.	1) A service supplier is required to stay in Japan not less than 180 days in a year. 2) A service supplier is required to stay in Japan not less than 180 days in a year. 3) None except as indicated in HORIZONTAL COMMITMENTS	3) (i) Practice of international law is permitted, provided that the international law is or was in force in the jurisdiction. Practice of third country law and Japanese law is not permitted.
(i) Consultancy on law does not include:	4) Unbound except as indicated in HORIZONTAL COMMITMENTS Commercial presence is required.	4) Unbound except as indicated in HORIZONTAL COMMITMENTS A service supplier is required to stay in Japan not less than 180 days in a year.	
(a) legal representation for juridical procedures in courts and other government agencies as well as preparation of legal documents for such procedures;			(ii) Association with Bengoshi is permitted. Employment of Bengoshi is not permitted.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(b) expression of legal opinions concerning laws other than laws of the jurisdiction where the service supplier is qualified as a lawyer (hereinafter referred to as the "jurisdiction" in this sector);</p> <p>(c) legal representation for the entrustment of the preparation of notarial deeds; and</p> <p>(d) those activities concerning a legal case whose primary objective is the acquisition or loss or change of rights concerning real property in Japan or of industrial property rights, mining rights or other rights arising upon registration thereof with government agencies in Japan,</p>			<p>(iii) Use of firm name is unrestricted, provided that it is followed with reference to "Gaikoku-Ho-Jimu-Bengoshi Jimusho".</p> <p>(iv) Representation in arbitration is permitted, provided that the applicable law in the arbitration is the law which the service supplier is qualified to practice in Japan.</p>

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(ii) A service supplier shall be required to cooperate with Bengoshi or to ask for his advice in a legal case concerning family relations or inheritance, in which a Japanese national is involved as a party, or in a legal case whose objective is the acquisition or loss or change of rights concerning real property in Japan or of industrial property rights, mining rights or other rights arising upon registration thereof with government agencies in Japan, as long as the above objective is not the primary one.			
<p><u>Note for transparency</u></p> <p>A service supplier must be recognized as "Gaikoku-Ho-Jimu-Bengoshi" by the Minister of Justice and register with the Japan Federation of Bar Associations.</p> <p>The conditions for granting recognition by the Minister of Justice are as follows:</p> <ul style="list-style-type: none"> (i) The service supplier is qualified as a lawyer in the jurisdiction. (ii) The service supplier has engaged himself as a lawyer for at least 5 years in the jurisdiction. (iii) The service supplier is not subject to such conditions of disqualification in the jurisdiction which, if applied to Bengoshi, would disqualify the Bengoshi. (iv) The service supplier possesses the intention to undertake the profession in good faith. (v) The service supplier possesses plans, residence and financial basis to perform his functions properly and steadily. (vi) The service supplier possesses capability to compensate for damages caused to the client, if any. 			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(a) Legal services supplied by a patent attorney qualified as "Benrishi" under Japanese law (86119, 8612, 8613, 8619)	1) Services must be supplied by a natural person. Commercial presence is required. 2) Services must be supplied by a natural person. Commercial presence is required. 3) Services must be supplied by a natural person. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS. Commercial presence is required.	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(a) Legal services supplied by a maritime procedure agent qualified as "Kaijidaishi" under Japanese law	1) Services must be supplied by a natural person. 2) Services must be supplied by a natural person. 3) Services must be supplied by a natural person. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(b) Accounting, auditing and bookkeeping services supplied by an accountant qualified as "Koninkaikeishi" under Japanese law (CPC 862)	1) Services must be supplied by a natural person or by an Audit Corporation ¹ . Commercial presence is required for an Audit Corporation. 2) Services must be supplied by a natural person or by an Audit Corporation. Commercial presence is required for an Audit Corporation. 3) Services must be supplied by a natural person or by an Audit Corporation. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

¹ Audit Corporation under Japanese law is composed of five or more partners who are accountants qualified as "Koninkaikeishi" under Japanese law and have the right and obligation to execute activities of the Audit Corporation.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(c) Taxation services supplied by a tax accountant qualified as "Zeirishi" under Japanese law (CPC 863)	1) Services must be supplied by a natural person. Commercial presence is required 2) Services must be supplied by a natural person. Commercial presence is required. 3) Services must be supplied by a natural person. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS Commercial presence is required.	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(d),(e) Architectural services A supplied by a service supplier qualified as "Kenchikushi" under Japanese law, or by a service supplier using "Kenchikushi" Architectural services A covers services which must be supplied by a service supplier qualified as "Kenchikushi" under Japanese law, or by a service supplier using "Kenchikushi". (CPC 86712, 86713, 86714 ²) (CPC 86722, 86723, 86724 ² , 86725 ² , 86727 ²)	1) Commercial presence is required. 2) Commercial presence is required. 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

² Limited to services necessary for building construction excluding post construction services.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(d),(e) Architectural services B supplied by a service supplier qualified as "Kenchikushi" under Japanese law, or by a service supplier using "Kenchikushi"</p> <p>Architectural services B covers services which may be supplied by a service supplier unqualified as "Kenchikushi" under Japanese law, or by a service supplier not using "Kenchikushi" (including business related to contracts of construction works for buildings, supervising construction works for buildings, inspection and evaluation of buildings, and representation of procedures based on laws, regulations or ordinances concerning construction works for buildings).</p>	<p>1) Commercial presence is required³. 2) Commercial presence is required³. 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	
<p>(d),(e), Architectural services (g) other than architectural services A and B (CPC 86711⁴, 86714⁴, 86719⁴) (CPC 86721⁴) (CPC 86742⁴)</p>	<p>1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

³ In case Architectural services B is supplied by a service supplier unqualified as "Kenchikushi" under Japanese law, or by a service supplier not using "Kenchikushi", commercial presence is not required.

⁴ Limited to services necessary for building construction.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e),(f) Engineering services and integrated engineering services (excluding services related to petroleum, petroleum products, gas and mineral) (CPC 8672 ⁵) (CPC 8673 ⁵)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(e), (g), F.(e), F.(m) Civil engineering consulting services (CPC 86721 ⁶ , 86724 ⁶ , 86727 ⁶ , 86729 ⁶) (CPC 86741, 86742 ⁶) (CPC 86761 ⁶) (86751 ⁶ , 86752 ⁶)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
B. <u>Computer and Related Services</u> (excluding services of air transport computer reservation system) (CPC 841, 842, 843, 844, 845, 849)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

⁵ Excluding architectural services and civil engineering consulting services.

⁶ Limited to services necessary for civil engineering excluding engineering design services for buildings.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Research and Development Services</u>			
(b) Research and development services on social sciences and humanities (CPC 852)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
D. <u>Real Estate Services</u>			
(a) Real estate services involving own or leased property (for the property in Japan) (CPC 821)	1) Commercial presence is required. 2) Commercial presence is required. 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(a) Real estate services involving own or leased property (for the property outside Japan) (CPC 821)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(b) Real estate services on a fee or contract basis (for the property in Japan) (CPC 822)	1) Commercial presence is required. 2) Commercial presence is required. 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Real estate services on a fee or contract basis (for the property outside Japan) (CPC 822)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
E. <u>Rental and Leasing Services without Operators</u>			
(c) Rental and leasing services, without operators, related to transport equipment other than vessels and aircrafts (CPC 83101, 83102, 83105)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(d),(e) Rental and leasing services, without operators, related to machineries and equipment other than transport equipment (CPC 83106-83109) (CPC 832)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
F. <u>Other Business Services</u>			
(a) Advertising services (CPC 871)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(b) Market research and public opinion polling services (CPC 864)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(c) Management consulting services (CPC 865)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(d) Services related to management consulting (CPC 86601, 86609)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(k) Placement services of personnel within Japan in the following twenty nine occupations (limited to services to establish employment relationship between a job applicant and an employer seeking personnel on the basis of job applications and offers):	1) Unbound 2) Unbound* 3) The number of licences conferred to service suppliers may be limited. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound 2) Unbound* 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(i) fine artist, (ii) entertainer, (iii) scientific technician, (iv) physician, (v) dentist, (vi) pharmacist, (vii) midwife, (viii) nurse, (ix) medical technician, (x) dental technician, (xi) dress designer, (xii) audiovisual and theatrical technician, (xiii) lawyer, (xiv) certified public accountant, (xv) patent attorney, (xvi) business manager,			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(xvii) fresh cake making technician, (xviii) house-keeper, (xix) barber, (xx) hairdresser, (xxi) Japanese-kimono dresser, (xxii) attendant for services at table, (xxiii) model, (xxiv) cook, (xxv) bartender, (xxvi) laundry technician, (xxvii) interpreter, (xxviii) floor sales person, and (xxix) sightseeing bus tour conductor (CPC 87201, 87202)			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(k) Supply services of personnel within Japan⁷ in the following sixteen categories of business (limited to services to dispatch workers employed by the service supplier to work under the direction of another person while employment relationship with the service supplier is maintained):</p> <p>(i) Designing or maintenance of a system run by computer, or designing, developing or maintenance of a computer program;</p> <p>(ii) Designing or drafting of machinery, devices or instruments (hereinafter referred to as "machineries") or equipment consisting of machineries;</p> <p>(iii) Operating machinery for picture recording, sound recording, etc., used in the production of broadcasting programs;</p> <p>(iv) Directing production of broadcasting programs;</p>	<p>1) Unbound</p> <p>2) Unbound*</p> <p>3) The number of licences conferred to service suppliers may be limited.</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) Unbound</p> <p>2) Unbound*</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

⁷ (Note for transparency) The dispatched worker may not be supplied from outside of Japan through intra-corporate transfer.

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(v) Operating computers, typewriters, telex or other similar office machinery; vi) Interpretation, translation or shorthand; (vii) Secretarial work for a representative or other person in similar managerial position of a juridical person; (viii) Classifying or filing documents, magnetic tapes, etc., which requires advanced expertise, technique or experience; (ix) Research of market, etc. or arrangement or analysis of the result of such research in order to obtain basic data necessary for the development of new products, or the preparation of sales plans, etc.; (x) Preparation of balance sheets, statements of profits and loss, and other financial documents, or other work handling financial affairs;			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(xi) Preparation of documents concerning international trade or other external transactions, or of written contracts, receipt notes, bills of lading or other similar documents concerning domestic transactions; (xii) Introduction and explanation of the capacity and operation, etc., of computers, cars and other machinery which require advanced expertise, technique or experience in order to operate appropriately;			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(xiii) Administering itineraries for tourists, by accompanying them, offering services incidental to such administering work for the convenience of tourists (excluding attendant services provided inside vehicles, vessels or aircrafts), or welcoming and sending off tourists in the buildings which are used for boarding and alighting or waiting by passengers and are installed at the stations or platforms of vehicles, vessels and aircrafts; (xiv) Cleaning of buildings;			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(xv) Operation, inspection, or maintenance of the facilities for electricity, gas, water supply, drainage, ventilation, heating, air conditioning, fire extinguishing, discharge of smoke or sanitation, and chimneys, elevators or lightning rods, installed in the building (hereinafter referred to as "building facilities"); and</p> <p>(xvi) Reception of visitors or providing guidance to them in buildings or exposition sites, or attending a parking lot attached to those buildings, and maintenance and management of the facilities (excluding building facilities) installed in buildings for the purpose of offering convenience for visitors, workers or residents of the buildings, in order to facilitate efficient utilization of the buildings. (CPC 87203, 87209)</p>			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(m) Related scientific and technical consulting services (excluding services related to petroleum, petroleum products, gas, mineral, and surveying) (CPC 86751, 86752)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(m) Surveying services for the land in Japan (CPC 86753, 86754)	1) Commercial presence is required except for the surveying conducted by not using Basic Survey ⁸ data or Public Survey ⁹ data, and the surveying for small areas or the surveying not requiring high accuracy. 2) Commercial presence is required except for the surveying conducted by not using Basic Survey data or Public Survey data, and the surveying for small areas or the surveying not requiring high accuracy. 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(m) Surveying services for the land outside Japan (CPC 86753, 86754)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

⁸ Basic Survey is a primary or fundamental survey, conducted by the Geographical Survey Institute of the Ministry of Construction, for all surveys.

⁹ Public Survey is a survey, other than Basic Survey, which does not include the surveying for small areas and the surveying not requiring high accuracy, conducted under the expenses partially or in full of, or under the subsidization of the Government or other public entities.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(n) Maintenance and repair services of equipment (excluding vessels, aircrafts and other transport equipment) (CPC 633, 8861-8866)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(o) Building-cleaning services (CPC 87401, 87402, 87403, 87409)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(p) Photographic services (CPC 875)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(q) Packaging services (CPC 876)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(r) Printing and publishing services (CPC 88442)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(s) Convention services (CPC 87909)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(t) Translation and interpretation services (CPC 87905)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(t) Speciality design services (CPC 87907)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>2. COMMUNICATION SERVICES</p> <p>C. <u>Telecommunications Services</u></p> <p>The following basic telecommunications services supplied by Type I or Type II Telecommunications Business:</p> <p>(a) Voice telephone services (CPC 7521)</p> <p>(b) Packet-switched data transmission services (CPC 7523)</p> <p>(c) Circuit-switched data transmission services (CPC 7523)</p> <p>(d) Telex services (CPC 7523)</p> <p>(f) Facsimile services (CPC 7521, 7529)</p> <p>(g) Private leased circuit services (CPC 7522, 7523)</p> <p>(o) Other</p>	<p>1) None</p> <p>2) None</p> <p>3) Foreign capital participation, direct and/or indirect, in NTT and KDD must be less than one-fifth.</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None</p> <p>2) None</p> <p>3) Board members and auditors in NTT and KDD are required to have Japanese nationality. As indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>Japan undertakes the obligations contained in the reference paper attached hereto.</p>

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Type I Telecommunications Business is the business which provides telecommunications services by establishing telecommunications circuit facilities.</p> <p>Type II Telecommunications Business is any telecommunications business other than Type I Telecommunications Business</p> <p>Telecommunications circuit facilities are transmission line facilities connecting transmitting points with receiving points, switching facilities installed as inseparable units therefrom, and other facilities accessory to such facilities.</p> <p>Value-added services supplied by Type II telecommunications business including:</p> <p>(h) Electronic mail services; (CPC 7523)</p> <p>(i) Voice mail services; (CPC 7521)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None</p> <p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(j) n-line information and data base retrieval services; (CPC 7523)</p> <p>(k) Electronic data interchange (EDI) services; (CPC 7523)</p> <p>(l) Enhanced facsimile services; (CPC 7529)</p> <p>(m) Code and protocol conversion services; and (CPC 7523)</p> <p>(n) On-line information and/or data processing services. (CPC 843)</p> <p>Specific commitments in the sectors of Telecommunications Services do not include voice transmission services supplied through the use of domestic leased circuits interconnected with public switched networks.</p>			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Type II Telecommunications business is any telecommunications business other than Type I telecommunications business. Type I telecommunications business is any business which supplies telecommunications services by establishing telecommunications circuit facilities. Telecommunications circuit facilities are transmission line facilities connecting transmitting points with receiving points, switching facilities installed as inseparable units therefrom, and other facilities accessory to such facilities.</p> <p>D. <u>Audiovisual Services</u></p> <p>(a) Motion picture and video tape production and distribution services (CPC 9611)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None</p> <p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(b) Motion picture projection services (CPC 9612)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(e) Sound recording services	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
3. CONSTRUCTION AND RELATED ENGINEERING SERVICES (excluding services related to mining)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
A. <u>General Construction Services for Buildings</u> (CPC 512)			
B. <u>General Construction Services for Civil Engineering</u> (CPC 513)			
C. <u>Installation and Assembly Services</u> (CPC 514, 516)			

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Building Completion and Finishing Services</u> (CPC 517)			
E. <u>Other</u> (CPC 511, 515, 518)			
4. DISTRIBUTION SERVICES			
A. <u>Commission Agents' Services</u> (CPC 621, 61111, 61130, 61210)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
B. <u>Wholesale Trade Services</u> (CPC 622, 61111, 61130, 61210)			
C. <u>Retailing Services</u> (CPC 631, 632, 61112, 61130, 61210)			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Franchising Services</u> (CPC 8929)</p> <p>Specific commitments in the sectors of Distribution Services do not include services related to petroleum, petroleum products, rice, tobacco, salt, alcoholic beverages, and those supplied at Public Wholesale Market. Public Wholesale Market is a market established under national or local government approval for commission agents' services and wholesale trade services of fresh foods including vegetables, fruits, marine products, meats and other daily foods, and flowers, with auction or bidding hall, parking lot and other facilities necessary for trade and disposal of above goods, which is operated on a permanent basis.</p>			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>5. EDUCATIONAL SERVICES</p> <p>The following Educational Services supplied by Formal Education Institutions established in Japan (Formal Education Institutions are elementary schools, lower secondary schools, upper secondary schools, universities, technical colleges, schools for the blind, schools for the deaf, schools for the handicapped and kindergartens.):</p> <p>A. <u>Primary Educational Services</u>; (CPC 9211, 9219)</p> <p>B. <u>Secondary Educational Services</u>; and (CPC 9221, 9222, 9223)</p> <p>C. <u>Higher Educational Services</u>. (CPC 9231, 9239)</p>	<p>1) Unbound*</p> <p>2) Unbound*</p> <p>3) Formal Education Institutions must be established by school juridical persons.¹⁰</p> <p>4) Unbound</p>	<p>1) Unbound*</p> <p>2) Unbound*</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound</p>	

* Unbound due to lack of technical feasibility.

¹⁰ A school juridical person is a non-profit juridical person established for the purpose of supplying educational services under Japanese law.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>D. <u>Adult Educational Services</u></p> <p>Foreign language tuition services for adults (excluding services supplied by Formal Education Institutions established in Japan. Formal Education Institutions are elementary schools, lower secondary schools, upper secondary schools, universities, technical colleges, schools for the blind, schools for the deaf, schools for the handicapped, kindergartens, special training colleges and miscellaneous schools.) (92400)</p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>3) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None</p> <p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
6. ENVIRONMENTAL SERVICES			
A. <u>Sewage Services</u> (CPC 9401)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
B. <u>Refuse Disposal Services</u> (CPC 9402)	1) Unbound* 2) None 3) The number of licences conferred to service suppliers of waste oil disposal at sea from vessels may be limited. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
C. <u>Sanitation and Similar Services</u> (CPC 9403)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

*Unbound due to lack of technical feasibility.

*Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Other</u> Cleaning services of exhaust gases (CPC 9404) Noise abatement services (CPC 9405) Nature and landscape protection services (CPC 9406) Other environmental protection services (CPC 9409)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
7. FINANCIAL SERVICES <p>In addition to Part III of this Agreement and the Annex on Financial Services, Japan undertakes its specific commitments with respect to Financial Services under this Agreement in accordance with the Understanding on Commitments in Financial Services (hereinafter referred to as the "Understanding", attached to this schedule, which forms an integral part of this schedule). Thus, the obligations under the Understanding are incurred in the sectors of Financial Services additionally to those covered by the provisions of Part III of this Agreement and the Annex on Financial Services.</p> <p>For prudential reasons within the context of paragraph 2(a) of the Annex on Financial Services, Japan shall not be prevented from taking measures such as non-discriminatory limitations on juridical forms of a commercial presence. For the same reasons, Japan shall not be prevented from applying non-discriminatory limitations concerning admission to the market of new financial services which shall be consistent with regulatory framework aimed at achieving such prudential objectives. In this context, securities firms are allowed to deal in securities defined in the relevant Japanese law, and banks are not allowed to deal in those securities unless allowed in accordance with the said law.</p> <p>With respect to specific commitments in the sectors of Financial Services, services supplied in the territory of a Member other than Japan to the service consumer in Japan without any active marketing from the service supplier are considered as services supplied under paragraph 2(b) of Article I of this Agreement.</p>			

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
A. <u>Insurance and Insurance-Related Services</u>	<p>Specific commitments in the market access column with respect to the supply of a service as prescribed in paragraphs 2(a) and (b) of Article I of this Agreement are unbound except for obligations under paragraphs 3 and 4 of the Understanding respectively which are incurred in this sector additionally to those covered by the provisions of Part III of this Agreement and the Annex on Financial Services, subject to conditions and qualifications set out below.</p> <p>1) Commercial presence is in principle required for insurance contracts on the following items and any liability arising therefrom:</p> <p>(a) goods being transported within Japan;</p> <p>(b) ships of Japanese registration which are not used for international maritime transport.</p> <p>60 per cent of amounts of reinsurance on the compulsory automobile third party liability insurance is subject to the compulsory coverage by the Government.</p> <p>Insurance services are not allowed to be supplied through an intermediary in Japan.</p>	<p>1) None</p>	<p>Japan undertakes the ADDITIONAL COMMITMENTS attached hereto</p>

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>2) Commercial presence is in principle required for insurance contracts on the following items and any liability arising therefrom:</p> <p>(a) goods being transported within Japan;</p> <p>(b) ships of Japanese registration which are not used for international maritime transport.</p> <p>60 per cent of amounts of reinsurance on the compulsory automobile third party liability insurance is subject to the compulsory coverage by the Government.</p> <p>Insurance services are not allowed to be supplied through an intermediary in Japan.</p> <p>3) 60 per cent of amounts of reinsurance on the compulsory automobile third party liability insurance is subject to the compulsory coverage by the Government.</p> <p>Insurance intermediation services are not allowed to be supplied for insurance contracts made by an insurance service supplier who is not licensed in Japan.</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>B. <u>Banking and Other Financial Services</u></p> <p>(excluding Insurance and Insurance-Related Services)</p>	<p>Specific commitments in the market access column with respect to the supply of a service as prescribed in paragraphs 2(a) and (b) of Article I of this Agreement are unbound except for obligations under paragraphs 3 and 4 of the Understanding respectively which are incurred in this sector additionally to those covered by the provisions of Part III of this Agreement and the Annex on Financial Services subject to conditions and qualifications set out below.</p> <p>1) Commercial presence is required for discretionary investment management services.</p> <p>2) "None" after April 1998. Before April 1998, supply of services is subject to all the following limitations: Overseas deposits and trust contracts denominated in foreign currencies, the sum of which are over 200 million yen value, and those denominated in yen are subject to approval. Business corporations which satisfy the standards of in-house systems relating to legal affairs, risk management and financial management set out by the Ministry of Finance may be given an approval effective for an indefinite period of time with respect to overseas deposits denominated in foreign currencies over 200 million yen value for the purpose of portfolio investment subject only to <i>ex post</i> reporting. The following capital transaction services may be supplied through authorized foreign exchange banks in Japan, or otherwise are in principle subject to approval:</p>	<p>1) None</p> <p>2) None</p>	<p>Japan undertakes the ADDITIONAL COMMITMENTS attached hereto</p>

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(a) Trade in:</p> <p>(i) payment instruments such as cheques and bills;</p> <p>(ii) foreign exchange; and</p> <p>(iii) derivative products which involve outright foreign exchange transactions such as currency spot options.</p> <p>Business corporations are exempted from obtaining approval and may invest in all securities derivative products listed on overseas exchanges for their own account subject only to <i>ex post</i> reporting.</p> <p>Business corporations which satisfy the standards of in-house systems relating to legal affairs, risk management and financial management set out by the Ministry of Finance are exempted from obtaining approval and may invest in financial futures and options listed on overseas exchanges for their own account subject only to <i>ex post</i> reporting.</p>		

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
	<p>(b) Special methods of settlement such as offsetting and any method whereby a resident either makes payment for the non-resident concerned to another resident or receives payment made by another resident for the non-resident concerned.</p> <p>(c) Swaps</p> <p>3) Commercial presence for investment trust management services must be juridical person established in Japan.</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>3) The deposit insurance system does not cover deposits taken by branches of foreign banks As indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>3) With respect to the assets of Employees' Pension Funds qualified by the Minister of Health and Welfare to be managed by discretionary investment management service suppliers, Japan no longer employs the classification of New Money* and assets other than New Money.</p>

* New Money is an asset mainly consisting of accumulation of premiums collected by Employees' Pension Funds after the day when such Funds are qualified by the Minister of Health and Welfare as appropriate for expanding their means of asset management to include discretionary investment management services.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
8. HEALTH RELATED AND SOCIAL SERVICES			
A. <u>Hospital Services</u> (CPC 9311)	1) Unbound* 2) None 3) Unbound except that there is no limitation on the participation of foreign capital 4) Unbound	1) Unbound* 2) None 3) Unbound except that there is no limitation on the participation of foreign capital As indicated in HORIZONTAL COMMITMENTS 4) Unbound	
9. TOURISM AND TRAVEL RELATED SERVICES			
A. <u>Hotels and Restaurants Services</u> (excluding catering services) (CPC 6411, 6412, 64194, 6421, 6422, 6431, 6432)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
Catering services (CPC 6423)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
B. <u>Travel Agencies and Tour Operators Services</u> (CPC 7471)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
C. <u>Tourist Guides Services</u> (CPC 7472)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
10 RECREATIONAL, CULTURAL AND SPORTING SERVICES			
A. <u>Entertainment Services</u> (including theatre, live bands and circus services) (CPC 9619)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
B. <u>News Agency Services</u> (CPC 962)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
C. <u>Libraries and Archives Services</u> (CPC 96311, 96312)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
D. <u>Sporting and other Recreational Services</u> Sporting services (CPC 9641) Recreation parks and beach services (CPC 96491) 11. TRANSPORT SERVICES A. <u>Maritime Transport Services</u> (a),(b) International maritime transport services (including services of passenger transportation and freight transportation) (CPC 7211, 7212)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	The following services will be made available to international maritime transport suppliers on reasonable and non-discriminatory terms and conditions: (i) pilotage services; (ii) pushing and towing services;

* Unbound due to lack of technical feasibility

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>Specific commitments in the sector of Maritime Transport Services do not include "cabotage services", which cover transportation of passengers or goods between a port located in Japan and another port located in Japan and traffic with passengers aboard originating and terminating in the same port located in Japan.</p> <p>A. <u>Maritime Auxiliary Transport Services</u></p> <p>(e) Pushing and towing services (CPC 7214)</p> <p>(f) Maritime agency services</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p> <p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) Unbound*</p> <p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p> <p>1) None</p> <p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>(iii) provisioning, fuelling and watering services;</p> <p>(iv) garbage collecting and refuse disposal services;</p> <p>(v) port captain's services;</p> <p>(vi) navigation aids services;</p> <p>(vii) shore based operational services essential to ship operations, including communications, water and electrical supplies;</p> <p>(viii) emergency repair services; and</p> <p>(ix) anchorage, berths and berthing services.</p>

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>(f) Salvaging and refloating services, watering services, fuelling services, garbage collecting services (CPC 7454, 7459)</p> <p>Specific commitments in the sectors of Maritime Auxiliary Transport Services do not include "cabotage services", which cover transportation of passengers or goods between a port located in Japan and another port located in Japan and traffic with passengers aboard originating and terminating in the same port located in Japan.</p> <p>B. <u>Internal Waterways Transport Services</u></p>	<p>1) None</p> <p>2) None</p> <p>3) None</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	<p>1) None</p> <p>2) None</p> <p>3) None except as indicated in HORIZONTAL COMMITMENTS</p> <p>4) Unbound except as indicated in HORIZONTAL COMMITMENTS</p>	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Pushing and towing services (CPC 7224)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(f) Salvaging and refloating services, watering services, fuelling services, garbage collecting services (CPC 7454, 7459) Specific commitments in the sectors of Internal Waterways Transport Services do not include "cabotage services", which cover transportation of passengers or goods between a port located in Japan and another port located in Japan and traffic with passengers aboard originating and terminating in the same port located in Japan.	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
C. <u>Air Transport Services</u>			
(d) Aircraft repair and maintenance services defined in paragraph 6.a) of Annex on Air Transport Services	1) Unbound* 2) None 3) The number of licences conferred to service suppliers may be limited. 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
(e) Selling and marketing of air transport services defined in paragraph 6.b) of Annex on Air Transport Services	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(e) Computer reservation system (CRS) services defined in paragraph 6.c) of Annex on Air Transport Services	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
E. Rail Transport Services			
(d) Maintenance and repair services of rail transport equipment (CPC 8868)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
Rental services of railway transport equipment with operators	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
F. <u>Road Transport Services</u>			
(b) Freight transport services (CPC 7123)	1) Unbound* 2) None 3) Emergency safeguard measures concerning the limitations on the number of service suppliers and on the number of service operations or on the quantity of service output 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(d) Maintenance and repair services of road transport equipment (CPC 6112, 8867)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

Mode of Supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
G. <u>Pipeline Transport Services</u>			
(b) Transport services of goods other than fuels (CPC 7139)	1) None 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) None 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
H. <u>Services Auxiliary to All Modes of Transport</u>			
(b) Storage and warehouse services (excluding services related to petroleum and petroleum products) (CPC 742)	1) Unbound* 2) None 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) None 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	
(d) Customs clearance agent services in Japan	1) Unbound* 2) Unbound* 3) None 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	1) Unbound* 2) Unbound* 3) None except as indicated in HORIZONTAL COMMITMENTS 4) Unbound except as indicated in HORIZONTAL COMMITMENTS	

* Unbound due to lack of technical feasibility.

REFERENCE PAPER

Scope

The following are definitions and principles on the regulatory framework for the basic telecommunications services.

Definitions

Users mean service consumers and service suppliers.

Essential facilities mean facilities of a public telecommunications transport network or service that

- (a) are exclusively or predominantly provided by a single or limited number of suppliers; and
- (b) cannot feasibly be economically or technically substituted in order to provide a service.

A major supplier is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in the relevant market for basic telecommunications services as a result of:

- (a) control over essential facilities; or
- (b) use of its position in the market.

1. Competitive safeguards

1.1 Prevention of anti-competitive practices in telecommunications

Appropriate measures shall be maintained for the purpose of preventing suppliers who, alone or together, are a major supplier from engaging in or continuing anti-competitive practices.

1.2 Safeguards

The anti-competitive practices referred to above shall include in particular:

- (a) engaging in anti-competitive cross-subsidization;
- (b) using information obtained from competitors with anti-competitive results; and
- (c) not making available to other services suppliers on a timely basis technical information about essential facilities and commercially relevant information which are necessary for them to provide services.

2. Interconnection

2.1 This section applies to linking with suppliers providing public telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier, where specific commitments are undertaken.

2.2 Interconnection to be ensured*

Interconnection with a major supplier will be ensured at any technically feasible point in the network. Such interconnection is provided:

- (a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates and of a quality no less favourable than that provided for its own like services or for like services of non-affiliated service suppliers or for its subsidiaries or other affiliates;
- (b) in a timely fashion, on terms, conditions (including technical standards and specifications) and cost-oriented rates that are transparent, reasonable, having regard to economic feasibility, and sufficiently unbundled so that the supplier need not pay for network components or facilities that it does not require for the service to be provided; and
- (c) upon request, at points in addition to the network termination points offered to the majority of users, subject to charges that reflect the cost of construction of necessary additional facilities.

2.3 Public availability of the procedures for interconnection negotiations

The procedures applicable for interconnection to a major supplier will be made publicly available.

2.4 Transparency of interconnection arrangements

It is ensured that a major supplier will make publicly available either its interconnection agreements or a reference interconnection offer.

2.5 Interconnection: dispute settlement

A service supplier requesting interconnection with a major supplier will have recourse, either:

- (a) at any time or
- (b) after a reasonable period of time which has been made publicly known

to an independent domestic body, which may be a regulatory body as referred to in paragraph 5 below, to resolve disputes regarding appropriate terms, conditions and rates for interconnection within a reasonable period of time, to the extent that these have not been established previously.

3. Universal service

Any Member has the right to define the kind of universal service obligation it wishes to maintain. Such obligations will not be regarded as anti-competitive *per se*, provided they are administered in a transparent, non-discriminatory and competitively neutral manner and are not more burdensome than necessary for the kind of universal service defined by the Member.

* The section 2.2 is applied only to a major supplier which has control over essential facilities.

4. Public availability of licensing criteria

Where a licence is required, the following will be made publicly available:

- (a) all the licensing criteria and the period of time normally required to reach a decision concerning an application for a licence and
- (b) the terms and conditions of individual licences.

The reasons for the denial of a licence will be made known to the applicant upon request.

5. Independent regulators

The regulatory body is separate from, and not accountable to, any supplier of basic telecommunications services. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

6. Allocation and use of scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, numbers and rights of way, will be carried out in an objective, timely, transparent and non-discriminatory manner. The current state of allocated frequency bands will be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

JAPAN: ADDITIONAL COMMITMENTS

A. Insurance and Insurance-Related Services

Whenever specific commitments in the additional commitments column state that appropriate authorities will approve an application or will not reject a notification, the application or notification must meet the applicable legal criteria. The appropriate authorities will apply the legal criteria in a fair and transparent manner, and will interpret them with a view toward allowing insurance service suppliers to differentiate, on the basis of the risk insured, the rates, forms and distribution of products.

1. Appropriate authorities will approve applications for a direct response system for automobile insurance, and will approve payment of premiums through the use of credit cards with the policy effective from the date when the insurance service supplier accepts credit card payment.

A direct response system ("Tsushin-Hanbai") for automobile insurance is defined as a distribution method whereby insurance service suppliers offer their products to consumers through advertising media, such as newspapers and magazines, and through direct mail or telephone calls; accept applications of consumers delivered via mail or telephone calls; and enter into contracts with consumers through an exchange via mail or telephone calls, without meeting the consumers.

2. Effective 1 April 1998, appropriate authorities will expand the scope of the advisory rate system for loading rates of commercial fire insurance, by lowering the minimum amount per contract to seven billion yen.

3. Appropriate authorities include the following sixteen products on the list of products to which the notification system applies with respect to the rates and riders for such products and will allow, within the standard processing period of ninety days, marketing of the products notified to the appropriate authorities (i.e., will not reject the notifications): medical malpractice liability insurance ("Ishi Baisho Sekinin Hoken"), advanced loss of machinery profit insurance ("Sogyo Kaishi Chien Hoken"), delayed start of construction insurance ("Kaigyo Chien Hoken"), civil engineering completed risks insurance ("Doboku Kozobutsu Hoken"), nuclear energy insurance ("Genshiryoku Hoken"), umbrella liability insurance ("Kigyo Hokatsu Baisho Sekinin Hoken"), environment liability insurance ("Kankyo Osen Baisho Sekinin Hoken"), erection insurance ("Kumitate Hoken"), moveable comprehensive insurance ("Dosan Sogo Hoken"), computer comprehensive insurance ("Kompyuta Sogo Hoken"), boiler and turbo-set insurance ("Boiler Turbo-set Hoken"), transit insurance ("Unsoh Hoken"), credit card theft insurance ("Credit Card Tonan Hoken"), general liability insurance ("Baisho Sekinin Hoken"), construction all-risk insurance ("Kensetsu Koji Hoken"), and surety bonds ("Hosho Shoken").

4. (a) By no later than 1 July 1998, appropriate authorities will eliminate obligations for members of a rating organization to use rates calculated by the rating organization for the provision of insurance services while allowing members of a rating organization to use, for the purpose of calculating rates, the statistical data collected by the rating organization.

(b) When the necessary legislative changes are made and their accompanying administrative measures come into effect to implement subparagraph (a) above, the appropriate authorities will approve, within the standard processing period of ninety days after submission, applications allowing all insurance service suppliers to differentiate, on the basis of the risk insured, the rates, forms and distribution of products, without regard to whether such applications use statistical rates calculated by the rating organization.

(c) In the interim before the necessary legislative changes are made and their accompanying administrative measures come into effect, the appropriate authorities will approve, within the standard processing period of ninety days after submission, applications for products in major product categories in the life and non-life insurance sectors which provide for the flexibility to differentiate, on the basis of the risk insured, the rates, forms and distribution of products.

(d) Appropriate authorities will approve applications for voluntary automobile insurance with the flexibility to differentiate, on the basis of the risk insured, the rates, forms and distribution of products, including a direct response system for automobile insurance with differentiated rates (collectively referred to as "differentiated auto insurance") effective 1 September 1997. Differentiation on the basis of risk insured includes differentiation of rates outside the banded rates based on the following risk factors: age, sex, driving history, usage (e.g., commercial, personal) and pattern of use (e.g., mileage per year), geography (by region, i.e., Hokkaido, Shikoku, Kyushu, and Honshu, which will be divided into Tohoku, Kanto-Koshinetsu, Hokuriku-Tokai, and Kinki-Chugoku), vehicle type, vehicle safety features, and multi-car ownership.

5. (a) Appropriate authorities will not permit non-life insurance subsidiaries of life insurance service suppliers to sell the following personal accident insurance:

- (i) personal accident insurance based on a single policy written for and/or endorsed¹ by non-profit inter-industry associations or foundations for managers of corporations²;
- (ii) domestic and overseas travel accident insurance through travel agents;
- (iii) personal accident insurance for students marketed through or endorsed¹ by schools (including all levels of schools, and including public and private schools), or scholastic, student or parent organizations or associations (i.e., "Gakusei-Dantai", "Dosokai" and PTA);
- (iv) personal accident insurance through direct response methods ("Tsushin-Hanbai");
- (v) group personal accident insurance except when the insurance subsidiaries are acting as lead managers among co-insurers or solo underwriter, and when the insurance is sold to a group that has not held in the preceding six months a policy for the same or a substitutable group personal accident insurance product by small to medium and/or foreign insurance service suppliers; and
- (vi) maturity refund personal accident insurance.

(b) Appropriate authorities will not permit life insurance subsidiaries of non-life insurance service suppliers to sell stand-alone cancer insurance and stand-alone medical insurance, and the appropriate authorities will maintain the limit regarding the ratio of rider benefits to base policy benefits that had existed before the new Insurance Business Law came into force on 1 April 1996.

¹ "Endorse" means to recommend ("suisho") and/or back-up ("koen").

² "Non-profit inter-industry associations or foundations for managers of corporations" means the "Zenkoku Hojinkai Sorengo", "Kyokuren Hojinkai", "Kenhojinkai Rengokai", "Tan-i Hojinkai", "Nozeikyokai Rengokai", "Burokku-kai" and "Nozeikyokai".

(c) Appropriate authorities will terminate the measures³ to avoid radical change in the third sector as described in subparagraphs (a) and (b) two and one-half years after the date when the necessary legislative changes are made and their accompanying administrative measures come into effect as described in paragraph 4, on condition that all the following measures will have been implemented by that date. Isolated instances of minor divergence with respect to the standard processing period of the measures set out in subparagraphs (i), (iii)(B), or (v) below do not constitute a failure to implement these measures for the purpose of this paragraph.

- (i) the appropriate authorities approve, within the standard processing period of ninety days, applications for differentiated auto insurance as described in subparagraph 4(d);
- (ii) the appropriate authorities have lowered the minimum insured amount per contract required for application of the advisory rate system for commercial fire insurance as described in paragraph 2;
- (iii) with respect to the notification system, the appropriate authorities:
 - (A) have put into effect the notification system with respect to the last six products set out in paragraph 3; and
 - (B) allow, within the standard period of ninety days, marketing of the sixteen products set out in paragraph 3 notified to the appropriate authorities (i.e., will not reject the notifications);
- (iv) the necessary legislative changes are made and their accompanying administrative measures come into effect to eliminate obligations for members of a rating organization to use rates calculated by the rating organization as described in paragraph 4; and
- (v) with respect to applications for differentiated products or rates, the appropriate authorities approve, within the standard period of ninety days, applications submitted.

In the event that no applications or notifications have been submitted by ninety days before the above-mentioned date, the measures in subparagraphs (iii)(B) and (v) will be considered to have been implemented.

6. If an insurance service supplier has submitted documents to appropriate authorities related to insurance products or rates, which the insurance service supplier considers to be an application, the insurance service supplier may make a request to the appropriate authorities to determine its status. The appropriate authorities will respond without undue delay to such a request and indicate whether they consider the documents to constitute a formal application.

³ The "measures" do not apply to group long-term disability insurance ("Dantai Choki Shogai Shotoku Hoshō Hoken") and income indemnity insurance ("Shotoku Hoshō Hoken"), including individual long term disability insurance ("Choki Shogai Tokuyaku").

B. Banking and Other Financial Services
(excluding Insurance and Insurance-Related Services)

1. With respect to the assets of Employees' Pension Funds (hereinafter referred to as "Funds") qualified by appropriate authorities to be managed by discretionary investment management service suppliers, the eight-year qualification requirement with respect to the required duration of the Funds following their establishment is reduced to three years.
 2. There is a ceiling of 1/2 of total assets with respect to the assets of Funds which can be managed by discretionary investment management service suppliers. The ceiling will be eliminated by March 1999.
 3. No asset allocation guidelines are applied to individual pension fund management service suppliers with respect to the management of fund assets of the Pension Welfare Service Public Corporation (excluding the commingled fund management of insurance companies) or of the assets of Funds (excluding the commingled fund management of insurance companies) which can be managed by discretionary investment management service suppliers.
 4. Investment trust management services and discretionary investment management services may be supplied by one entity if that entity satisfies the relevant prudential provisions of Japanese Laws and the prudential standards set out by appropriate authorities.
 5. Appropriate authorities permit the Pension Welfare Service Public Corporation to allow investment advisory companies to participate in the management of its fund assets through a variation on the "Shiteitan" framework. At the time of the next comprehensive review of the Japanese pension system in 1999, this scheme would be reviewed.

"Shiteitan" is a designated money trust for separate investment management provided by trust banks. Under "Shiteitan", beneficial owners do not specify individual objects of stocks, bonds or other financial instruments to be purchased. Trust banks are permitted to guarantee the principal of "Shiteitan" under domestic laws and regulations.
 6. Appropriate authorities will fully utilize the existing mechanisms available to them to respond expeditiously to accommodate innovations in securities products, while ensuring the most appropriate supervision of markets from prudential viewpoints.
-

UNDERSTANDING ON COMMITMENTS IN FINANCIAL SERVICES

Participants in the Uruguay Round have been enabled to take on specific commitments with respect to financial services under the General Agreement on Trade in Services (hereinafter referred to as the "Agreement") on the basis of an alternative approach to that covered by the provisions of Part III of the Agreement. It was agreed that this approach could be applied subject to the following understanding:

- (i) it does not conflict with the provisions of the Agreement;
- (ii) it does not prejudice the right of any Member to schedule its specific commitments in accordance with the approach under Part III of the Agreement;
- (iii) resulting specific commitments shall apply on a most-favoured-nation basis;
- (iv) no presumption has been created as to the degree of liberalization to which a Member is committing itself under the Agreement.

Interested Members, on the basis of negotiations, and subject to conditions and qualifications where specified, have inscribed in their schedule specific commitments conforming to the approach set out below.

A. *Standstill*

Any conditions, limitations and qualifications to the commitments noted below shall be limited to existing non-conforming measures.

B. *Market Access*

Monopoly Rights

1. In addition to Article VIII of the Agreement, the following shall apply:

Each Member shall list in its schedule pertaining to financial services existing monopoly rights and shall endeavour to eliminate them or reduce their scope. Notwithstanding subparagraph 1(b) of the Annex on Financial Services, this paragraph applies to the activities referred to in subparagraph 1(b)(iii) of the Annex.

Financial Services purchased by Public Entities

2. Notwithstanding Article XIII of the Agreement, each Member shall ensure that financial service suppliers of any other Member established in its territory are accorded most-favoured-nation treatment and national treatment as regards the purchase or acquisition of financial services by public entities of the Member in its territory.

Cross-border Trade

3. Each Member shall permit non-resident suppliers of financial services to supply, as a principal, through an intermediary or as an intermediary, and under terms and conditions that accord national treatment, the following services:

- (a) insurance of risks relating to:
 - (i) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and
 - (ii) goods in international transit;
- (b) reinsurance and retrocession and the services auxiliary to insurance as referred to in subparagraph 5(a)(iv) of the Annex;
- (c) provision and transfer of financial information and financial data processing as referred to in subparagraph 5(a)(xv) of the Annex and advisory and other auxiliary services, excluding intermediation, relating to banking and other financial services as referred to in subparagraph 5(a)(xvi) of the Annex.

4. Each Member shall permit its residents to purchase in the territory of any other Member the financial services indicated in:

- (a) subparagraph 3(a);
- (b) subparagraph 3(b); and
- (c) subparagraphs 5(a)(v) to (xvi) of the Annex.

Commercial Presence

5. Each Member shall grant financial service suppliers of any other Member the right to establish or expand within its territory, including through the acquisition of existing enterprises, a commercial presence.

6. A Member may impose terms, conditions and procedures for authorization of the establishment and expansion of a commercial presence in so far as they do not circumvent the Member's obligation under paragraph 5 and they are consistent with the other obligations of this Agreement.

New Financial Services

7. A Member shall permit financial service suppliers of any other Member established in its territory to offer in its territory any new financial service.

Transfers of Information and Processing of Information

8. No Member shall take measures that prevent transfers of information or the processing of financial information, including transfers of data by electronic means, or that, subject to importation rules consistent with international agreements, prevent transfers of equipment, where such transfers of information, processing of financial information or transfers of equipment are necessary for the conduct of the ordinary business of a financial service supplier. Nothing in this paragraph restricts the right of a Member to protect personal data, personal privacy and the confidentiality of individual records and accounts so long as such right is not used to circumvent the provisions of the Agreement.

Temporary Entry of Personnel

9. (a) Each Member shall permit temporary entry into its territory of the following personnel of a financial service supplier of any other Member that is establishing or has established a commercial presence in the territory of the Member:
- (i) senior managerial personnel possessing proprietary information essential to the establishment, control and operation of the services of the financial service supplier; and
 - (ii) specialists in the operation of the financial service supplier.
- (b) Each Member shall permit, subject to the availability of qualified personnel in its territory, temporary entry into its territory of the following personnel associated with a commercial presence of a financial service supplier of any other Member:
- (i) specialists in computer services, telecommunication services and accounts of the financial service supplier; and
 - (ii) actuarial and legal specialists.

Non-discriminatory Measures

10. Each Member shall endeavour to remove or to limit any significant adverse effects on financial service suppliers of any other Member of:
- (a) non-discriminatory measures that prevent financial service suppliers from offering in the Member's territory, in the form determined by the Member, all the financial services permitted by the Member;
 - (b) non-discriminatory measures that limit the expansion of the activities of financial service suppliers into the entire territory of the Member;
 - (c) measures of a Member, when such a Member applies the same measures to the supply of both banking and securities services, and a financial service supplier of any other Member concentrates its activities in the provision of securities services; and
 - (d) other measures that, although respecting the provisions of the Agreement, affect adversely the ability of financial service suppliers of any other Member to operate, compete or enter the Member's market;

provided that any action taken under this paragraph would not unfairly discriminate against financial service suppliers of the Member taking such action.

11. With respect to the non-discriminatory measures referred to in subparagraphs 10(a) and (b), a Member shall endeavour not to limit or restrict the present degree of market opportunities nor the benefits already enjoyed by financial service suppliers of all other Members as a class in the territory of the Member, provided that this commitment does not result in unfair discrimination against financial service suppliers of the Member applying such measures.

C. *National treatment*

1. Under terms and conditions that accord national treatment, each Member shall grant to financial service suppliers of any other Member established in its territory access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities available in the normal course of ordinary business. This paragraph is not intended to confer access to the Member's lender of last resort facilities.

2. When membership or participation in, or access to, any self-regulatory body, securities or futures exchange or market, clearing agency, or any other organization or association, is required by a Member in order for financial service suppliers of any other Member to supply financial services on an equal basis with financial service suppliers of the Member, or when the Member provides directly or indirectly such entities, privileges or advantages in supplying financial services, the Member shall ensure that such entities accord national treatment to financial service suppliers of any other Member resident in the territory of the Member.

D. *Definitions*

For the purposes of this approach:

1. A non-resident supplier of financial services is a financial service supplier of a Member which supplies a financial service into the territory of another Member from an establishment located in the territory of another Member, regardless of whether such a financial service supplier has or has not a commercial presence in the territory of the Member in which the financial service is supplied.

2. "Commercial presence" means an enterprise within a Member's territory for the supply of financial services and includes wholly- or partly-owned subsidiaries, joint ventures, partnerships, sole proprietorships, franchising operations, branches, agencies, representative offices or other organizations.

3. A new financial service is a service of a financial nature, including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a particular Member but which is supplied in the territory of another Member.
