

ANNEX I

SCHEDULE OF JAPAN

INTRODUCTORY NOTES

In the interpretation of an entry, all elements of the entry shall be considered. An entry shall be interpreted in the light of the relevant provisions of the Chapters against which the entry is taken, and the **Measures** element shall prevail over all the other elements.

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

Sub-Sector:

Industry Classification:

Obligations Concerned: National Treatment (Article 9.4)
Most-Favoured-Nation Treatment (Article 9.5)

Level of Government: Central

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

Description: Investment

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

- (a) where the country of which the person is a national or the country in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a party to *the International Convention for the Protection of New Varieties of Plants of December 2, 1961*, as Revised at Geneva on November 10, 1972, on October 23, 1978, and on March 19, 1991;
- (b) where the country of which the person is a national or the country in which the person has a domicile or residence (or its place of business, in the case of a legal person) is a party to *the International Convention for the Protection of New Varieties of Plants of December 2, 1961*, as Revised at Geneva on November 10, 1972, and on October 23, 1978 (hereinafter referred to in this Annex as "UPOV 1978"), or a country in relation with

which Japan shall apply UPOV 1978 in accordance with paragraph (2) of Article 34 of UPOV 1978, and further provides the protection for the plant genus and species to which the person's applied variety belongs; or

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

Sector: Agriculture, Forestry and Fisheries, and Related Services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the entry at Annex II – JAPAN – 12)

Sub-Sector:

Industry Classification:

Obligations Concerned: National Treatment (Article 9.4)

Level of Government: Central

Measures: *Foreign Exchange and Foreign Trade Law* (Law No. 228 of 1949), Article 27¹
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: Investment

1. The prior notification requirement and screening procedures under the *Foreign Exchange and Foreign Trade Law* apply to foreign investors who intend to make investments in agriculture, forestry and fisheries, and related services (except fisheries within the territorial sea, internal waters, exclusive economic zone and continental shelf provided for in the entry at Annex II – JAPAN– 12) in Japan.

2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.²

¹ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

² For greater certainty, absence of reference in this description to “national security”, which is referred to at Annex I – JAPAN – 14, 16, 18, 43, 58, 60, 71, 73 and 74, does not mean that Article 29.2 (Security Exceptions) does not apply to the screening or that Japan waives its right to invoke Article 29.2 (Security Exceptions) to justify the screening.

3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

Sector:	Automobile Maintenance Business
Sub-Sector:	Motor vehicle disassembling repair business
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Road Vehicle Law</i> (Law No. 185 of 1951), Chapter 6
Description:	<u>Cross-Border Trade in Services</u> A person who intends to conduct motor vehicle disassembling repair businesses is required to establish a workplace in Japan and to obtain approval from the Director-General of the District Transport Bureau having jurisdiction over the district where the workplace is located.

Sector: Business Services

Sub-Sector:

Industry Classification:

Obligations Concerned: Market Access (Article 10.5)
Local Presence (Article 10.6)

Level of Government: Central

Measures: *Employment Security Law* (Law No. 141 of 1947), Chapter 3 and Chapter 3-3
Law Concerning Securing the Proper Operation of Worker Dispatching Undertakings and Protecting Dispatched Workers (Law No. 88 of 1985), Chapter 2
Port Labour Law (Law No. 40 of 1988), Chapter 4
Mariner's Employment Security Law (Law No. 130 of 1948), Chapter 3
Law Concerning the Improvement of Employment of Construction Workers (Law No. 33 of 1976), Chapter 5 and Chapter 6

Description: Cross-Border Trade in Services

A person who intends to supply the following services for enterprises in Japan is required to have an establishment in Japan and to obtain permission from, or to submit notification to, the competent authority, as applicable:

- (a) private job placement services including fee-charging job placement services for construction workers; or
- (b) worker dispatching service including stevedore dispatching services, mariner dispatching services and work opportunities securing services for construction workers.

Labour supply services may be supplied only by a labour union

which has obtained permission from the competent authority pursuant to the *Employment Security Law* or *Mariner's Employment Security Law*.

Sector:	Collection Agency Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Special Measures Law Concerning Credit Management and Collection Business</i> (Law No. 126 of 1998), Article 3 and Article 4 <i>Attorney Law</i> (Law No. 205 of 1949), Article 72 and Article 73
Description:	<u>Cross-Border Trade in Services</u> A person who intends to supply collection agency services which constitute the practice of law in respect of legal cases is required to be qualified as an attorney at law under the laws and regulations of Japan (<i>Bengoshi</i>), a legal professional corporation under the laws and regulations of Japan (<i>Bengoshi-hojin</i>), or an enterprise established under the <i>Special Measures Law Concerning Credit Management and Collection Business</i> and to establish an office in Japan. No person may take over and recover another person's credits as business except an enterprise established under the <i>Special Measures Law Concerning Credit Management and Collection Business</i> that handles credits pursuant to provisions of that law.

Sector: Construction

Sub-Sector:

Industry Classification:

Obligations Concerned: Market Access (Article 10.5)
Local Presence (Article 10.6)

Level of Government: Central

Measures: *Construction Business Law* (Law No. 100 of 1949), Chapter 2
Law Concerning Recycling of Construction Materials (Law No. 104 of 2000), Chapter 5

Description: Cross-Border Trade in Services

1. A person who intends to conduct construction business is required to establish a place of business in Japan and to obtain permission from the Minister of Land, Infrastructure, Transport and Tourism or from the prefectural governor having jurisdiction over the district where the place of business is located.
2. A person who intends to conduct demolition work business is required to establish a place of business in Japan and to be registered with the prefectural governor having jurisdiction over the district where the place of business is located.

Sector:	Distribution Services
Sub-Sector:	Wholesale trade services, retailing services, commission agents' services, related to alcoholic beverages
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Liquor Tax Law</i> (Law No. 6 of 1953), Article 9, Article 10 and Article 11
Description:	<u>Cross-Border Trade in Services</u> The number of licences conferred to service suppliers in the listed sub-sectors may be limited, where it is necessary to maintain a supply-demand balance of liquors in order to secure liquor tax revenue (paragraph 11 of Article 10 of the <i>Liquor Tax Law</i>).

Sector:	Distribution Services
Sub-Sector:	Wholesale trade services supplied at public wholesale market
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Wholesale Market Law</i> (Law No. 35 of 1971), Article 9, Article 10, Article 15, Article 17 and Article 33
Description:	<u>Cross-Border Trade in Services</u> The number of licences conferred to wholesale trade service suppliers at public wholesale markets may be limited, in cases where the public wholesale markets set the maximum number of the suppliers in order to secure the proper and sound operation of the public wholesale markets.

Sector:	Education, Learning Support
Sub-Sector:	Higher educational services
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Fundamental Law of Education</i> (Law No.120 of 2006), Article 6 <i>School Education Law</i> (Law No. 26 of 1947), Article 2 <i>Private School Law</i> (Law No. 270 of 1949), Article 3
Description:	<u>Cross-Border Trade in Services</u> Higher educational services supplied as formal education in Japan must be supplied by formal education institutions. Formal education institutions must be established by school juridical persons. “Formal education institutions” means elementary schools, lower secondary schools, secondary schools, compulsory education school, upper secondary schools, universities, junior colleges, colleges of technology, special support schools, kindergartens and integrated centres for early childhood education and care. “School juridical person” means a non-profit juridical person established for the purposes of supplying educational services under the law of Japan.

Sector:	Heat Supply
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27 ³ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in the heat supply industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

³ For greater certainty, for the purpose of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

Sector:	Information and Communications
Sub-Sector:	Telecommunications
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4) Senior Management and Boards of Directors (Article 9.11)
Level of Government:	Central
Measures:	<i>Law Concerning Nippon Telegraph and Telephone Corporation, Etc.</i> (Law No. 85 of 1984), Article 6 and Article 10
Description:	<u>Investment</u> 1. Nippon Telegraph and Telephone Corporation may not enter the name and address in its register of shareholders if the aggregate of the ratio of the voting rights directly or indirectly held by the persons set forth in subparagraphs (a) through (c) reaches or exceeds one-third: (a) a natural person who does not have Japanese nationality; (b) a foreign government or its representative; and (c) a foreign legal person or a foreign entity. 2. Any natural person who does not have Japanese nationality may not assume the office of director or auditor of Nippon Telegraph and Telephone Corporation, Nippon Telegraph and Telephone East Corporation and Nippon Telegraph and Telephone West Corporation.

Sector:	Information and Communications
Sub-Sector:	Telecommunications and internet based services
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27⁴ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in telecommunications business and internet based services in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

⁴ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

Sector:	Manufacturing
Sub-Sector:	Shipbuilding and repairing, and marine engines
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Shipbuilding Law</i> (Law No. 129 of 1950), Article 2, Article 3 and Article 3-2
Description:	<u>Cross-Border Trade in Services</u> A person who intends to establish or extend docks, which can be used to manufacture or repair vessels of 500 gross tonnage or more or 50 metres in length or more, is required to obtain permission from the Minister of Land, Infrastructure, Transport and Tourism. The issuance of a licence is subject to the requirements of an economic needs test.

Sector:	Manufacturing
Sub-Sector:	Drugs and medicines manufacturing
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27⁵ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in biological preparations manufacturing industry in Japan. For greater certainty, “biological preparations manufacturing industry” deals with economic activities in an establishment which produces vaccine, serum, toxoid, antitoxin and some preparations similar to the aforementioned products, or blood products. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

⁵ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

Sector:	Manufacturing
Sub-Sector:	Leather and leather products manufacturing
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27⁶ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in leather and leather products manufacturing industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.⁷ 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

⁶ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

⁷ For greater certainty, absence of reference in this description to “national security”, which is referred to at Annex I – JAPAN – 14, 16, 18, 43, 58, 60, 71, 73 and 74, does not mean that Article 29.2 (Security Exceptions) does not apply to the screening or that Japan waives its right to invoke Article 29.2 (Security Exceptions) to justify the screening.

Sector:	Matters Related to the Nationality of a Ship
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Senior Management and Boards of Directors (Article 9.11) Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Ship Law</i> (Law No.46 of 1899), Article 1
Description:	<u>Investment and Cross-Border Trade in Services</u> Nationality requirement applies to the supply of international maritime transport services (including services of passenger transportation and freight transportation) through establishment of a registered company operating a fleet flying the flag of Japan. “Nationality requirement” means that the ship must be owned by a Japanese national, or a company established under the laws and regulations of Japan, of which all the representatives and not less than two-thirds of the executives administering the affairs are Japanese nationals.

Sector:	Measuring Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Measurement Law</i> (Law No. 51 of 1992), Chapter 3, Chapter 5, Chapter 6 and Chapter 8 <i>Regulations on Measurement Law</i> (Ministerial Ordinance of the Ministry of International Trade and Industry No. 69 of 1993) <i>Ministerial Ordinance for Designated Inspection Body, Designated Verification Body, Designated Measurement Certification Inspection Body and Specified Measurement Certification Accreditation Body</i> (Ministerial Ordinance of the Ministry of International Trade and Industry No. 72 of 1993)
Description⁸:	<u>Cross-Border Trade in Services</u>

⁸ For the purposes of this entry:

- (a) “measuring instruments” means appliances, machines or equipment used for measurement;
- (b) “specified measuring instruments” means measuring instruments used in transactions or certifications, or measuring instruments principally for use in the life of general consumers, and those specified by a Cabinet Order as necessary to establish standards relating to their structure and instrumental error in order to ensure proper execution of measurements;
- (c) “measurement certification businesses” under the requirement described in paragraph 3 are listed in the following and the registration shall be in accordance with the business classification specified by the Ordinance of the Ministry of Economy, Trade and Industry:
 - (i) the business of measurement certifications of length, weight, area, volume or heat concerning goods to be loaded/unloaded or entered/dispatched for transportation, deposit or sale or purchase (excluding the measurement certifications of mass or volume of goods to be loaded on or unloaded from ship); and

1. A person who intends to supply services of conducting the periodic inspection of specified measuring instruments is required to establish a legal person in Japan and to be designated by the prefectural governor having jurisdiction over the district where the person intends to conduct such inspection, or by the mayor of a designated city or the chief of a designated ward or village in case the place where the person intends to conduct such inspection is located within the district of such designated city, ward or village.
2. A person who intends to supply services of conducting the verification of specified measuring instruments is required to establish a legal person in Japan and to be designated by the Minister of Economy, Trade and Industry.
3. A person who intends to conduct measurement certification business, including specified measurement certification business, is required to have an establishment in Japan and to be registered with the prefectural governor having jurisdiction over the district where the establishment is located.
4. A person who intends to supply services of conducting the inspection of specified measuring instruments used for the measurement certification is required to establish a legal person in Japan and to be designated by the prefectural governor having jurisdiction over the district where the person intends to conduct such inspection.
5. A person who intends to supply services of conducting the accreditation for a person engaged in specified measurement certification business is required to establish a

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- (ii) the business of measurement certifications of concentration, sound pressure level or the quantity of other physical phenomena specified by a Cabinet Order (excluding what is listed in (i));

however, this requirement shall not apply to the case where a person engaged in the measurement certification business is a national government, a local government, or an incorporated administrative agency prescribed by Article 2, paragraph 1 of *the Law on General Rules for Incorporated Administrative Agency* (Law No. 103 of 1999) who is designated by a Cabinet Order as competent to appropriately perform the measurement certification business, or where the measurement certification business is performed by a person who has been registered or designated or received to conduct that business pursuant to the provision of the law specified by that Cabinet Order; and

- (d) “specified measurement certification business” means the business specified by a Cabinet Order as these requiring high levels of technology to certify measurement of considerably tiny quantities of physical phenomena prescribed in subparagraph (c)(ii).

legal person in Japan, and to be designated by the Minister of Economy, Trade and Industry.

6. A person who intends to supply services of conducting the calibration of measuring instruments is required to establish a legal person in Japan and to be designated by the Minister of Economy, Trade and Industry.

Sector:	Medical, Health Care and Welfare
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Law Concerning Collection of Labour Insurance Premium</i> (Law No. 84 of 1969), Chapter 4 <i>Enforcement Regulations for the Law Concerning Collection of Labour Insurance Premium</i> (Ministerial Ordinance of the Ministry of Labour No. 8 of 1972)
Description:	<u>Cross-Border Trade in Services</u> Only an association of business proprietors or a federation of such associations approved by the Minister of Health, Labour and Welfare under the laws and regulations of Japan may conduct labour insurance businesses entrusted by business proprietors. An association which intends to conduct such labour insurance businesses under the laws and regulations of Japan is required to establish an office in Japan, and to obtain the approval of the Minister of Health, Labour and Welfare.

Sector:	Mining and Services incidental to Mining
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Mining Law</i> (Law No. 289 of 1950), Chapter 2 and Chapter 3
Description:	<u>Investment and Cross-Border Trade in Services</u> Only a Japanese national or an enterprise of Japan may have mining rights or mining lease rights. ⁹

⁹ Services requiring mining rights or mining lease rights must be supplied by a Japanese national or an enterprise established under Japanese law, in accordance with the Chapter 2 and Chapter 3 of the *Mining Law*.

Sector: Oil Industry

Sub-Sector:

Industry Classification:

Obligations Concerned: National Treatment (Article 9.4)

Level of Government: Central

Measures: *Foreign Exchange and Foreign Trade Law* (Law No. 228 of 1949), Article 27¹⁰
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: Investment

1. The prior notification requirement and screening procedures under the *Foreign Exchange and Foreign Trade Law* apply to foreign investors who intend to make investments in the oil industry in Japan.
2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.¹¹
3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.
4. All organic chemicals such as ethylene, ethylene glycol

¹⁰ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

¹¹ For greater certainty, absence of reference in this description to “national security”, which is referred to at Annex I – JAPAN – 14, 16, 18, 43, 58, 60, 71, 73 and 74, does not mean that Article 29.2 (Security Exceptions) does not apply to the screening or that Japan waives its right to invoke Article 29.2 (Security Exceptions) to justify the screening.

and polycarbonates are outside the scope of the oil industry. Therefore, prior notification requirement and screening procedures under the *Foreign Exchange and Foreign Trade Law* do not apply to the investments in the manufacture of these products.

Sector: Professional Services

Sub-Sector:

Industry Classification:

Obligations Concerned: Market Access (Article 10.5)
Local Presence (Article 10.6)

Level of Government: Central

Measures: *Attorney Law* (Law No. 205 of 1949), Chapter 3, Chapter 4, Chapter 4-2, Chapter 5 and Chapter 9

Description: Cross-Border Trade in Services

A natural person who intends to supply legal services is required to be qualified as an attorney-at-law under the laws and regulations of Japan (*Bengoshi*) and to establish an office within the district of the local bar association to which the natural person belongs.

An enterprise which intends to supply legal services is required to establish a legal professional corporation under the laws and regulations of Japan (*Bengoshi-Hojin*).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Law on Special Measures Concerning the Handling of Legal Services by Foreign Lawyers</i> (Law No. 66 of 1986), Chapter 2 and Chapter 4
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply legal advisory services concerning foreign laws is required to be qualified as a registered foreign lawyer under the laws and regulations of Japan (<i>Gaikoku-Ho-Jimu-Bengoshi</i>) and to establish an office within the district of the local bar association to which the natural person belongs. <i>Gaikoku-Ho-Jimu-Bengoshi</i> under the laws and regulations of Japan is required to stay in Japan for not less than 180 days per year.

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Patent Attorney Law</i> (Law No. 49 of 2000), Chapter 3, Chapter 6 and Chapter 8
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply patent attorney services is required to be qualified as a patent attorney under the laws and regulations of Japan (<i>Benrishi</i>). An enterprise which intends to supply patent attorney services is required to establish a patent business corporation under the laws and regulations of Japan (<i>Tokkyo-Gyomu-Hojin</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 10.3) Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Notary Law</i> (Law No. 53 of 1908), Chapter 2 and Chapter 3
Description:	<u>Cross-Border Trade in Services</u> Only a Japanese national may be appointed as a notary in Japan. The notary is required to establish an office in the place designated by the Minister of Justice.

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Judicial Scrivener Law</i> (Law No. 197 of 1950), Chapter 3, Chapter 4, Chapter 5, Chapter 7 and Chapter 10
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply judicial scrivener services is required to be qualified as a judicial scrivener under the laws and regulations of Japan (<i>Shiho-Shoshi</i>) and to establish an office within the district of the judicial scrivener association to which the natural person belongs. An enterprise which intends to supply judicial scrivener services is required to establish a judicial scrivener corporation under the laws and regulations of Japan (<i>Shiho-Shoshi-Hojin</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Certified Public Accountant Law</i> (Law No. 103 of 1948), Chapter 3, Chapter 5-2 and Chapter 7
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply certified public accountants services is required to be qualified as a certified public accountant under the laws and regulations of Japan (<i>Koninkaikeishi</i>). An enterprise which intends to supply certified public accountants services is required to establish an audit corporation under the laws and regulations of Japan (<i>Kansa-Hojin</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Certified Public Tax Accountant Law</i> (Law No. 237 of 1951), Chapter 3, Chapter 4, Chapter 5-2, Chapter 6 and Chapter 7 <i>Enforcement Regulation on Certified Public Tax Accountant Law</i> (Ministerial Ordinance of the Ministry of Finance No. 55 of 1951)
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply certified public tax accountant services is required to be qualified as a certified public tax accountant under the laws and regulations of Japan (<i>Zeirishi</i>) and to establish an office within the district of certified public tax accountant association to which the natural person belongs. An enterprise which intends to supply certified public tax accountant services is required to establish a certified public tax accountant corporation under the laws and regulations of Japan (<i>Zeirishi-Hojin</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Architect and/or Building Engineer Law</i> (Law No. 202 of 1950), Chapter 1, Chapter 2 and Chapter 6
Description:	<u>Cross-Border Trade in Services</u> An architect or building engineer, qualified as such under the laws and regulations of Japan (<i>Kenchikushi</i>), or a person employing such an architect or building engineer, who intends to conduct business of design, superintendence of construction work, administrative work related to construction work contracts, supervision of building construction work, survey and evaluation of buildings, and representation in procedures under the laws and regulations concerning construction, upon request from others for remuneration, is required to establish an office in Japan.

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Certified Social Insurance and Labour Consultant Law</i> (Law No. 89 of 1968), Chapter 2-2, Chapter 4-2, Chapter 4-3 and Chapter 5
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply social insurance and labour consultant services is required to be qualified as a certified social insurance and labour consultant under the laws and regulations of Japan (<i>Shakai-Hoken-Roumushi</i>) and to establish an office in Japan. An enterprise which intends to supply social insurance and labour consultant services is required to establish a certified social insurance and labour consultant corporation under the laws and regulations of Japan (<i>Shakai-Hoken-Roumushi-Hojin</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Administrative Scrivener Law (Law No. 4 of 1951), Chapter 3, Chapter 4, Chapter 5 and Chapter 8</i>
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply administrative scrivener services is required to be qualified as an administrative scrivener under the laws and regulations of Japan (<i>Gyousei-Shoshi</i>) and to establish an office within the district of the administrative scrivener association to which the natural person belongs. An enterprise which intends to supply administrative scrivener services is required to establish an administrative scrivener corporation under the laws and regulations of Japan (<i>Gyousei-Shoshi-Hojin</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Maritime Procedure Agents Law</i> (Law No.32 of 1951), Article 17
Description:	<u>Cross-Border Trade in Services</u> Maritime procedure agent services must be supplied by a natural person who is qualified as a maritime procedure agent under the laws and regulations of Japan (<i>Kaijidairishi</i>).

Sector:	Professional Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Land and House Surveyor Law</i> (Law No. 228 of 1950), Chapter 3, Chapter 4, Chapter 5 , Chapter 7 and Chapter 10
Description:	<u>Cross-Border Trade in Services</u> A natural person who intends to supply land and house surveyor services is required to be qualified as a land and house surveyor under the laws and regulations of Japan (<i>Tochi-Kaoku-Chosashi</i>) and to establish an office within the district of the land and house surveyor association to which the natural person belongs. An enterprise which intends to supply land and house surveyor services is required to establish a land and house surveyor corporation under the laws and regulations of Japan (<i>Tochi-Kaoku-Chosashi-Hojin</i>).

Sector: Real Estate

Sub-Sector:

Industry Classification:

Obligations Concerned: Market Access (Article 10.5)
Local Presence (Article 10.6)

Level of Government: Central

Measures: *Building Lots and Buildings Transaction Business Law* (Law No. 176 of 1952), Chapter 2
Real Estate Syndication Law (Law No. 77 of 1994), Chapter 2 and Chapter 4-2
Law Concerning Improving Management of Condominiums (Law No. 149 of 2000), Chapter 3

Description: Cross-Border Trade in Services

1. A person who intends to conduct building lots and buildings transaction business is required to establish an office in Japan and to obtain a licence from the Minister of Land, Infrastructure, Transport and Tourism or from the prefectural governor having jurisdiction over the district where the office is located.
2. A person who intends to conduct real estate syndication business is required to establish an office in Japan and to obtain permission from the competent Minister or from the prefectural governor having jurisdiction over the district where the office is located or to submit notification to the competent Minister.
3. A person who intends to conduct condominiums management business is required to establish an office in Japan and to be registered in the list maintained by the Ministry of Land, Infrastructure, Transport and Tourism.

Sector:	Real Estate Appraisal Services
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Law Concerning the Appraisal of Real Estate</i> (Law No. 152 of 1963), Chapter 3
Description:	<u>Cross-Border Trade in Services</u> A person who intends to supply real estate appraisal services is required to establish an office in Japan and to be registered in the list maintained by the Ministry of Land, Infrastructure, Transport and Tourism or the prefecture having jurisdiction over the district where the office is located.

Sector:	Seafarers
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 10.3) Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Mariners Law (Law No. 100 of 1947), Chapter 4</i> <i>Official Notification of the Director General of Seafarers</i> <i>Department, Maritime Technology and Safety Bureau of the</i> <i>Ministry of Transport, No. 115, 1990</i> <i>Official Notification of the Director General of Seafarers</i> <i>Department, Maritime Technology and Safety Bureau of the</i> <i>Ministry of Transport, No. 327, 1990</i> <i>Official Notification of the Director General of Maritime</i> <i>Bureau of the Ministry of Land, Infrastructure and Transport,</i> <i>No. 153, 2004</i>
Description:	<u>Cross-Border Trade in Services</u> Foreign nationals employed by Japanese enterprises, except for the seafarers referred to in the relevant official notifications, may not work on vessels flying the Japanese flag.

Sector: Security Guard Services

Sub-Sector:

Industry Classification:

Obligations Concerned: National Treatment (Article 9.4)

Level of Government: Central

Measures: *Foreign Exchange and Foreign Trade Law* (Law No. 228 of 1949), Article 27¹²
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: Investment

1. The prior notification requirement and screening procedures under the *Foreign Exchange and Foreign Trade Law* apply to foreign investors who intend to make investments in security guard services in Japan.
2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered.
3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

¹² For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

Sector:	Services Related to Occupational Safety and Health
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Industrial Safety and Health Law</i> (Law No. 57 of 1972), Chapter 5 and Chapter 8 <i>Ministerial Ordinance for Registration and Designation related to Industrial Safety and Health Law, and Orders based on the Law</i> (Ministerial Ordinance of the Ministry of Labour No. 44 of 1972) <i>Working Environment Measurement Law</i> (Law No. 28 of 1975), Chapter 2 and Chapter 3 <i>Enforcement Regulation of the Working Environment Measurement Law</i> (Ministerial Ordinance of the Ministry of Labour No. 20 of 1975)
Description:	<u>Cross-Border Trade in Services</u> A person who intends to supply inspection or verification services for working machines, skill training courses, and other related services in connection with occupational safety and health, or working environment measurement services is required to be resident or to establish an office in Japan, and to be registered with the Minister of Health, Labour and Welfare or Director-General of the Prefectural Labour Bureau.

Sector: Surveying Services

Sub-Sector:

Industry Classification:

Obligations Concerned: Market Access (Article 10.5)
Local Presence (Article 10.6)

Level of Government: Central

Measures: *Survey Law* (Law No. 188 of 1949), Chapter 6

Description: Cross-Border Trade in Services

A person who intends to supply surveying services is required to establish a place of business in Japan and to be registered with the Minister of Land, Infrastructure, Transport and Tourism.

Sector:	Transport
Sub-Sector:	Air transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4) Most-Favoured-Nation Treatment (Article 9.5) Senior Management and Boards of Directors (Article 9.11)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27 ¹³ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3 <i>Civil Aeronautics Law</i> (Law No. 231 of 1952), Chapter 7 and Chapter 8
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in air transport business in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.¹⁴ 3. The investor may be required to alter the content of

¹³ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

¹⁴ For greater certainty, absence of reference in this description to “national security”, which is referred to at Annex I – JAPAN – 14, 16, 18, 43, 58, 60, 71, 73 and 74, does not mean that Article 29.2 (Security Exceptions) does not apply to the screening or that Japan waives its right to invoke Article 29.2 (Security Exceptions) to justify the screening.

the investment or discontinue the investment process, depending on the screening result.

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

- (a) a natural person who does not have Japanese nationality;
- (b) a foreign country, or a foreign public entity or its equivalent;
- (c) a legal person or other entity constituted under the laws of any foreign country; and
- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of voting rights are held by natural persons or entities referred to in subparagraph (a), (b) or (c).

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

5. A Japanese air carrier or a company having substantial control over such air carrier, such as a holding company, may reject the request from a natural person or an entity set forth in paragraphs 4(a) through 4(c), who owns equity investments in such air carrier or company, to enter its name and address in the register of shareholders, in the event that such air carrier or company becomes a legal person referred to in paragraph 4(d) by accepting such request.

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

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

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

Sector:	Transport
Sub-Sector:	Air transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Senior Management and Boards of Directors (Article 9.11) Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27 ¹⁵ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3 <i>Civil Aeronautics Law</i> (Law No. 231 of 1952), Chapter 7 and Chapter 8
Description:	<u>Investment and Cross-Border Trade in Services</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in aerial work business in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.¹⁶ 3. The investor may be required to alter the content of

¹⁵ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

¹⁶ For greater certainty, absence of reference in this description to “national security”, which is referred to at Annex I – JAPAN – 14, 16, 18, 43, 58, 60, 71, 73 and 74, in this description does not mean that Article 29.2 (Security Exceptions) does not apply to the screening or that Japan waives its right to invoke Article 29.2 (Security Exceptions) to justify the screening.

the investment or discontinue the investment process, depending on the screening result.

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

- (a) a natural person who does not have Japanese nationality;
- (b) a foreign country, or a foreign public entity or its equivalent;
- (c) a legal person or other entity constituted under the laws of any foreign country; and
- (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

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

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

Sector:	Transport
Sub-Sector:	Air transport (registration of aircraft in the national register)
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Senior Management and Boards of Directors (Article 9.11) Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Civil Aeronautics Law</i> (Law No. 231 of 1952), Chapter 2
Description:	<u>Investment and Cross-Border Trade in Services</u> 1. An aircraft owned by any of the following natural persons or entities may not be registered in the national register: (a) a natural person who does not have Japanese nationality; (b) a foreign country, or a foreign public entity or its equivalent; (c) a legal person or other entity constituted under the laws of any foreign country; and (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b) or (c); or a legal person of which more than one-third of the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

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

Sector:	Transport
Sub-Sector:	Customs brokerage
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Customs Brokerage Law</i> (Law No. 122 of 1967), Chapter 2
Description:	<u>Cross-Border Trade in Services</u> A person who intends to conduct customs brokerage business is required to have a place of business in Japan and to obtain permission of the Director-General of Customs having jurisdiction over the district where the person intends to conduct customs brokerage business.

Sector:	Transport
Sub-Sector:	Freight forwarding business (excluding freight forwarding business using air transportation)
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Senior Management and Boards of Directors (Article 9.11) Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Freight Forwarding Business Law</i> (Law No. 82 of 1989), Chapter 2, Chapter 3 and Chapter 4 <i>Enforcement Regulation of Freight Forwarding Business Law</i> (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990), Chapter 3, Chapter 4 and Chapter 5
Description:	<u>Investment and Cross-Border Trade in Services</u> 1. The following natural persons or entities are required to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism for conducting freight forwarding business using international shipping: (a) a natural person who does not have Japanese nationality; (b) a foreign country, or a foreign public entity or its equivalent; (c) a legal person or other entity constituted under the laws of any foreign country; and (d) a legal person represented by the natural persons or entities referred to in subparagraph

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

Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity.

2. A person who intends to conduct freight forwarding business is required to establish an office in Japan, and to be registered with, or to obtain permission or approval of, the Minister of Land, Infrastructure, Transport and Tourism.

Sector:	Transport
Sub-Sector:	Freight forwarding business (only freight forwarding business using air transportation)
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4) Most-Favoured-Nation Treatment (Article 9.5) Senior Management and Boards of Directors (Article 9.11)
Level of Government:	Central
Measures:	<i>Freight Forwarding Business Law</i> (Law No. 82 of 1989), Chapter 2, Chapter 3 and Chapter 4 <i>Enforcement Regulation of Freight Forwarding Business Law</i> (Ministerial Ordinance of Ministry of Transport No. 20 of 1990)
Description:	<u>Investment</u> 1. The following natural persons or entities may not conduct freight forwarding businesses using air transportation between points within Japan: (a) a natural person who does not have Japanese nationality; (b) a foreign country, or a foreign public entity or its equivalent; (c) a legal person or other entity constituted under the laws of any foreign country; and (d) a legal person represented by the natural persons or entities referred to in subparagraph (a), (b) or (c); a legal person of which more than one-third of the members of the board of directors are composed of the natural persons or entities referred to in subparagraph (a), (b)

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

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

Sector:	Transport
Sub-Sector:	Railway transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27¹⁷ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in railway transport industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result. 4. The manufacture of vehicles or parts and components for the railway transport industry is not included in railway transport industry. Therefore, the prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> do not apply to the

¹⁷ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

investments in the manufacture of these products.

Sector:	Transport
Sub-Sector:	Road passenger transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27¹⁸ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in omnibus industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result. 4. The manufacture of vehicles or parts and components for omnibus industry is not included in omnibus industry. Therefore, the prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> do not apply to the investments in the manufacture of these

¹⁸ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

products.

Sector:	Transport
Sub-Sector:	Road transport
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Road Transport Law</i> (Law No. 183 of 1951), Chapter 2 <i>Special Measures Law concerning the proper management and revitalization of the taxi business in specified and sub-specified regions</i> (Law No.64 of 2009) (hereinafter referred to in this entry “the Law”), Chapter 2 and Chapter 7 <i>Trucking Business Law</i> (Law No. 83 of 1989), Chapter 2
Description:	<u>Cross-Border Trade in Services</u> 1. A person who intends to conduct road passenger transport business or road freight transport business is required to establish a place of business in Japan, and to obtain permission of, or to submit notification to, the Minister of Land, Infrastructure, Transport and Tourism. 2. In respect of common taxicab operators business, the Minister of Land, Infrastructure, Transport and Tourism may not grant permission to a person who intends to conduct the businesses, or may not approve a modification of the business plan of such businesses in the “specified regions” and in the “semi-specified regions” designated by the Minister of Land, Infrastructure, Transport and Tourism. Such permission may be granted, or such modification of the business plan may be approved with respect to “semi-specified regions” when the standards set out in the Law are met, including those that the capacity of common taxicab operators businesses in that region does not exceed the volumes of the traffic demand. Such designation would be made when the capacity of common

taxicab transportation businesses in that region exceeds or is likely to exceed the volumes of traffic demand to the extent that it would become difficult to secure the safety of transportation and the benefits of passengers.

3. In respect of common motor trucking business or motor trucking business (particularly-contracted), the Minister of Land, Infrastructure, Transport and Tourism may not grant permission to a person who intends to conduct the businesses, or may not approve a modification of the business plan of such businesses, in the “emergency supply/demand adjustment area” designated by the Minister of Land, Infrastructure, Transport and Tourism. Such designation would be made when the capacity of common motor trucking businesses or motor trucking businesses (particularly-contracted) in that area has significantly exceeded the volumes of transportation demand to the extent that the operation of existing businesses would become difficult.

Sector:	Transport
Sub-Sector:	Services incidental to transport
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Road Transport Law</i> (Law No. 183 of 1951), Chapter 4
Description:	<u>Cross-Border Trade in Services</u> A person who intends to conduct motorway businesses is required to obtain a licence from the Minister of Land, Infrastructure, Transport and Tourism. The issuance of a licence is subject to an economic needs test, such as whether the proposed motorway is appropriate in scale compared with the volume and nature of traffic demand in the proposed area.

Sector:	Transport
Sub-Sector:	Services incidental to transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 10.3) Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Pilotage Law</i> (Law No. 121 of 1949), Chapter 2, Chapter 3 and Chapter 4
Description:	<u>Cross-Border Trade in Services</u> Only a Japanese national may become a pilot in Japan. Pilots directing ships in the same pilotage district are required to establish a pilot association for the pilotage district.

Sector:	Transport
Sub-Sector:	Water transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 10.3) Most-Favoured-Nation Treatment (Article 10.4) Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Law Concerning Special Measures against Unfavorable Treatment to Japanese Oceangoing Ship Operators by Foreign Government (Law No. 60 of 1977)</i>
Description:	<u>Cross-Border Trade in Services</u> Oceangoing ship operators of another Party may be restricted or prohibited from entering Japanese ports or from loading and unloading cargoes in Japan in cases where Japanese oceangoing ship operators are prejudiced by that Party.

Sector:	Transport
Sub-Sector:	Water transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27¹⁹ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in the water transport industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which significant adverse effect is brought to the smooth operation of the Japanese economy.²⁰ 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result. 4. For greater certainty, “water transport industry” refers

¹⁹ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

²⁰ For greater certainty, absence of reference in this description to “national security”, which is referred to at Annex I – JAPAN – 14, 16, 18, 43, 58, 60, 71, 73 and 74, does not mean that Article 29.2 (Security Exceptions) does not apply to the screening or that Japan waives its right to invoke Article 29.2 (Security Exceptions) to justify the screening.

to oceangoing/seagoing transport, coastwise transport (*i.e.* maritime transport between ports in Japan), inland water transport, and ship leasing industry. However, oceangoing/seagoing transport industry and ship leasing industry excluding coastwise ship leasing industry are exempted from the prior notification requirement and screening procedures under the *Foreign Exchange and Foreign Trade Law*.

Sector:	Transport
Sub-Sector:	Water transport
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Most-Favoured-Nation Treatment (Article 9.5 and Article 10.4) Market Access (Article 10.5)
Level of Government:	Central
Measures:	<i>Ship Law</i> (Law No. 46 of 1899), Article 3
Description:	<u>Investment and Cross-Border Trade in Services</u> Unless otherwise specified in laws and regulations of Japan, or international agreements to which Japan is a party, ships not flying the Japanese flag are prohibited from entering ports in Japan which are not open to foreign commerce and from carrying cargoes or passengers between Japanese ports.

Sector:	Vocational Skills Test
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Human Resources Development Promotion Law</i> (Law No. 64 of 1969), Chapter 5
Description:	<u>Cross-Border Trade in Services</u> Some of specific type of non-profit organisation (the employers' organisations, their federations, general incorporated associations, general incorporated foundations, incorporated labour unions or miscellaneous incorporated non-profit organisations) can supply the service. Such organisation which intends to carry out the vocational skills test for workers is required to establish an office in Japan and to be designated by the Minister of Health, Labour and Welfare.

Sector:	Water Supply and Waterworks
Sub-Sector:	
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27 ²¹ <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3
Description:	<u>Investment</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intend to make investments in water supply and waterworks industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investor may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

²¹ For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

Sector: Wholesale and Retail Trade

Sub-Sector: Livestock

Industry Classification:

Obligations Concerned: Local Presence (Article 10.6)

Level of Government: Central

Measures: *Livestock Dealer Law* (Law No. 208 of 1949), Article 3

Description: Cross-Border Trade in Services

A person who intends to conduct livestock trading business is required to be resident in Japan, and to obtain a licence from the prefectural governor having jurisdiction over the place of residence. For greater certainty, “livestock trading” means the trading or exchange of livestock, or the good offices for such trading or exchange.

Sector:	Aerospace Industry
Sub-Sector:	Aircraft manufacturing and repairing industry
Industry Classification:	
Obligations Concerned:	National Treatment (Article 9.4 and Article 10.3) Performance Requirements (Article 9.10) Market Access (Article 10.5) Local Presence (Article 10.6)
Level of Government:	Central
Measures:	<i>Foreign Exchange and Foreign Trade Law</i> (Law No. 228 of 1949), Article 27 and Article 30 ²² <i>Cabinet Order on Foreign Direct Investment</i> (Cabinet Order No. 261 of 1980), Article 3 and Article 5 <i>Aircraft Manufacturing Industry Law</i> (Law No.237 of 1952), Article 2, Article 3, Article 4 and Article 5
Description:	<u>Investment and Cross-Border Trade in Services</u> 1. The prior notification requirement and screening procedures under the <i>Foreign Exchange and Foreign Trade Law</i> apply to foreign investors who intended to make investments in the aircraft industry in Japan. 2. The screening is conducted from the viewpoint of whether the investment is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered. 3. The investors may be required to alter the content of the investment or discontinue the investment process, depending on the screening result.

²² For greater certainty, for the purposes of this entry, the definition of “inward direct investment” provided in Article 26 of the *Foreign Exchange and Foreign Trade Law* shall apply with respect to the interpretation of this entry.

4. A technology introduction contract between a resident and a non-resident related to the aircraft industry is subject to the prior notification requirement and screening procedure under the *Foreign Exchange and Foreign Trade Law*.
5. The screening is conducted from the viewpoint of whether the conclusion of the technology introduction contract is likely to cause a situation in which national security is impaired, the maintenance of public order is disturbed, or the protection of public safety is hindered.
6. The resident may be required to alter the provisions of the technology introduction contract or discontinue the conclusion of that contract, depending on the screening result.
7. The number of licences conferred to manufactures and service suppliers in those sectors may be limited.
8. An enterprise which intends to produce aircraft and supply repair services is required to establish a factory related to manufacture or repair aircraft under the laws and regulations of Japan.