

IMPLEMENTING AGREEMENT BETWEEN
THE GOVERNMENT OF JAPAN AND
THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES
PURSUANT TO ARTICLE 12 OF THE AGREEMENT BETWEEN
JAPAN AND THE REPUBLIC OF THE PHILIPPINES FOR
AN ECONOMIC PARTNERSHIP

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Preamble

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

In accordance with Article 12 of the Agreement between Japan and the Republic of the Philippines for an Economic Partnership (hereinafter referred to in this Agreement as "the Basic Agreement"),

HAVE AGREED as follows:

Chapter 1
Customs Procedures

Article 1
Mutual Assistance in Customs Matters

1. Both Parties shall assist each other through their customs authorities to ensure proper application of customs laws and to prevent, investigate, and repress any violation or attempted violation of customs laws.
2. Both Parties shall cooperate through their customs authorities, when necessary and appropriate, in the area of research, development, and testing of new customs procedure and new enforcement aids and techniques, training activities of customs officers, and exchange of personnel between them.

Article 2
Information and Communications Technology

1. The customs authorities of the Parties shall make cooperative efforts to promote the use of information and communications technology in their customs procedures.
2. The customs authorities of the Parties shall exchange information, including best practices, on the use of information and communications technology for the purpose of improving customs procedures.

Article 3
Risk Management

1. In order to facilitate customs clearance of goods traded between Japan and the Republic of the Philippines (hereinafter referred to in this Agreement as "the Countries"), the customs authorities of the Parties shall continue to use risk management.

2. The Parties shall endeavor to promote, through seminars and courses, the use of risk management and the improvement of risk management techniques in the Countries and third countries or customs territories.

3. The customs authorities of the Parties shall exchange information, including best practices, on risk management techniques and other enforcement techniques.

Article 4
Enforcement against Illicit Trafficking

1. The customs authorities of the Parties shall cooperate and exchange information in their enforcement against the trafficking of illicit drugs and other prohibited goods at their customs checkpoints.

2. The Parties shall endeavor to promote regional cooperation under the World Customs Organization in fighting trafficking of illicit drugs and other prohibited goods at their customs checkpoints.

Article 5
Intellectual Property Rights

The customs authorities of the Parties shall cooperate and exchange information in their enforcement against importation and exportation of goods suspected of infringing intellectual property rights.

Article 6
Exchange of Information

1. Each Party shall maintain the confidentiality of any information communicated to it in confidence by the other Party pursuant to Article 55 of the Basic Agreement and this Chapter, unless the latter Party consents to the disclosure of such information.

2. Each Party may limit the information it communicates to the other Party when the latter Party is unable to give the assurance requested by the former Party with respect to confidentiality or with respect to the limitations of purposes for which the information will be used.

3. If a Party that requests information would be unable to comply with a similar request in case such a request were made by the other Party, it shall draw attention to that fact in its request. Execution of such a request shall be at the discretion of the latter Party.

4. Information provided from the customs authority of a Party to the customs authority of the other Party pursuant to Article 55 of the Basic Agreement and this Chapter shall be used only for the discharge of functions of the latter customs authority under its Country's customs laws.

5. Information provided pursuant to Article 55 of the Basic Agreement and this Chapter shall not be used by the receiving Party in criminal proceedings carried out by a court or a judge.

6. In the event that information communicated by a Party to the other Party pursuant to Article 55 of the Basic Agreement and this Chapter is needed for presentation to a court or a judge in criminal proceedings, that other Party shall submit a request for such information to the Party that communicated the information (hereinafter referred to in this Article as "the requested Party") through the diplomatic channels or other channels established in accordance with the laws of the Country of the requested Party. The requested Party will make its best efforts to respond promptly and favourably to meet any reasonable deadlines indicated by the requesting Party.

7. Notwithstanding any other provision of Article 55 of the Basic Agreement and this Chapter, a Party shall not be required to communicate information to the other Party if such communication is prohibited by the laws or regulations of the Country of the former Party or if the former Party considers such communication incompatible with its important interests.

Article 7 Sub-Committee on Customs Procedures

1. Pursuant to Article 56 of the Basic Agreement, the Sub-Committee on Customs Procedures (hereinafter referred to in this Article as "the Sub-Committee") shall comprise the following:

- (a) officials from the Ministry of Finance of Japan and from the Bureau of Customs of the Republic of the Philippines, as co-chairs;
- (b) for Japan, officials from the Ministry of Finance and the Ministry of Foreign Affairs, and other government officials with the necessary expertise relevant to the issues to be discussed who may be included on an *ad hoc* basis; and
- (c) for the Republic of the Philippines (hereinafter referred to in this Agreement as "the Philippines"), officials from the Bureau of Customs, and other government officials with the necessary expertise relevant to the issues to be discussed who may be included on an *ad hoc* basis.

2. The Sub-Committee may invite representatives of relevant entities other than the Parties with necessary expertise relevant to the issues to be discussed by mutual consent of the Parties.

Chapter 2 Movement of Natural Persons

Article 8 Purpose

The purpose of this Chapter is to implement in a proper and smooth manner the specific commitments of Japan relating to natural persons of the Philippines who engage in supplying services as nurses or certified careworkers or related activities provided for in Section 6 of Part 1 of Annex 8 of the Basic Agreement.

Article 9 Designation and Notification

1. For the purposes of paragraphs 1 and 2 of the said Section, the Government of the Philippines shall designate and notify by a note verbale to the Government of Japan only the natural persons of the Philippines who undergo the recruitment process undertaken by the competent authority of the Philippines and who satisfy the terms and conditions set out in the said paragraphs. The Government of the Philippines shall make the said notification with the names and addresses of a public or private organization mentioned in subparagraphs 1(a) and (b) and paragraph 2 of the said Section and of a public or private training facility mentioned in subparagraph 1(c) of the said Section and with the other information required by the Government of Japan.

2. For the purposes of this Article, "the competent authority of the Philippines" means, with regard to subparagraph 1(a) and (b) of Section 6 of Part 1 of Annex 8, the Philippine Overseas Employment Administration, and with regard to subparagraph 1(c) of the said Section, the Commission on Higher Education.

Article 10 Training

The Government of Japan shall notify to the Government of the Philippines the modalities and other related information on training referred to in subparagraphs 1 (a)(i), (b)(i) and (c)(i) of the said Section, and whether this training be held in Japan or the Philippines.

Article 11 Return of Filipino Nurses and Careworkers to the Philippines

The Government of the Philippines shall issue in accordance with the Philippine Passport Law, rules and regulations proper travel documents for immediate return to the Philippines, to the natural persons of the Philippines who stay in Japan after being granted entry and temporary stay therein in accordance with the said Section and who need such travel documents when such person is required to leave Japan under the Japanese immigration laws and regulations.

Chapter 3 Competition

Article 12 Objective

1. The purpose of this Chapter is to implement the cooperation set forth in Article 136 of the Basic Agreement.

2. For the purposes of this Chapter, the term "implementing authority(ies)" means:

- (a) for Japan, the Fair Trade Commission; and
- (b) for the Philippines, the Tariff Commission and the Department of Trade and Industry.

Article 13
Technical Cooperation

1. The Parties agree that it is in their common interest for their implementing authorities to work together in technical cooperation activities related to competition law enforcement and competition policy.

2. The technical cooperation activities referred to in paragraph 1 above may include, within the reasonably available resources of the implementing authority of each Party, the following:

- (a) exchange of implementing authorities' personnel for training purposes;
- (b) participation of implementing authorities' personnel as lecturers or consultants at training courses on competition law enforcement and competition policy organized or sponsored by each other's implementing authority;
- (c) assistance by the implementing authority of a Party to advocacy and educational campaign of the implementing authority of the other Party for consumers, business sector and related agencies of its Country; and
- (d) any other form of technical cooperation as the implementing authorities of the Parties may agree.

Article 14
Transparency

The implementing authority of each Party shall:

- (a) promptly inform the implementing authority of the other Party of any amendment of laws and regulations and any adoption of new laws and regulations of its Country, relating to the implementation of its competition policy;
- (b) provide, as appropriate, the implementing authority of the other Party with copies of its publicly-released guidelines or policy statements issued in relation to its competition policy; and

- (c) provide, as appropriate, the implementing authority of the other Party with copies of its annual reports and/or any other publication that are made generally available to the public.

Article 15
Discussion

1. The implementing authorities of the Parties may, as necessary, discuss on any matter which may arise in connection with this Chapter.
2. Upon such discussion, both implementing authorities of the Parties may:
 - (a) exchange information on economic sectors of common interest; and
 - (b) discuss other matters of mutual interest relating to the implementation of the competition policy of each Country.

Article 16
Review

1. The Parties shall, upon mutual agreement, review and expand the cooperation pursuant to this Chapter, when either Country adopts new laws and regulations relating to the implementation of its competition policy.
2. Any such expansion of the cooperation shall be subject to the applicable laws and regulations of each Country and available resources of each Party.

Chapter 4
Improvement of the Business Environment

Article 17
Sub-Committee
on Improvement of the Business Environment

1. Pursuant to paragraph 4 of Article 139 of the Basic Agreement, the Sub-Committee on Improvement of the Business Environment (hereinafter referred to in this Chapter as "the Sub-Committee") shall be composed of representatives of the Parties. The Sub-Committee may invite representatives of relevant entities other than the Parties including those from the private sector with the necessary expertise relevant to the issues to be addressed.

2. The Sub-Committee shall meet at such venue and times as may be agreed by the Parties.

3. The issues to be addressed by the Sub-Committee referred to in subparagraph 2(b) of Article 139 may include:

- (a) lack of transparency in business-related systems, rules, regulations and court proceedings;
- (b) delay and complexity of procedures;
- (c) inefficient operation of system which results in additional business costs; and
- (d) other issues related to the improvement of business environment.

4. The manner of cooperation by the Sub-Committee with other relevant Sub-Committees referred to in paragraph 3 of Article 139 may include:

- (a) conveying the result of relevant discussions and meetings;
- (b) seeking opinions and recommendations; and
- (c) inviting members of the other relevant Sub-Committees for consultation.

Article 18
Consultative Group
on Improvement of the Business Environment

1. Pursuant to paragraph 2 of Article 140 of the Basic Agreement, each Consultative Group on Improvement of the Business Environment (hereinafter referred to in this Chapter as "Consultative Group") shall be composed of:

- (a) in case of the Consultative Group to be established in Japan, representatives of relevant authorities of the Government of Japan and Embassy of the Philippines in Japan; and
- (b) in case of the Consultative Group to be established in the Philippines, representatives of relevant authorities of the Government of the Philippines and Embassy of Japan in the Philippines.

2. Each Consultative Group may, where appropriate, invite:
 - (a) in case of the Consultative Group to be established in Japan, representatives of relevant incorporated entities, administrative agencies in Japan, other relevant Philippine private sector entities, and, if necessary, appropriate officials dispatched from the Government of the Philippines; and
 - (b) in case of the Consultative Group to be established in the Philippines, representatives of Japan External Trade Organization, the Japanese Chamber of Commerce and Industry of the Philippines, Inc., other relevant Japanese private sector entities, and, if necessary, appropriate officials dispatched from the Government of Japan.
3. The functions of the Consultative Group shall be:
 - (a) addressing and discussing ways and means to improve the business environment; and
 - (b) reporting the findings to the Sub-Committee.
4. Each Consultative Group shall meet at the request of the representatives of either Party in the Consultative Group or under the instructions of the Sub-Committee.

Article 19

Liaison Office on Improvement of the Business Environment

1. Pursuant to paragraph 2 of Article 141 of the Basic Agreement, the functions of the Liaison Office on Improvement of the Business Environment (hereinafter referred to in this Chapter as "Liaison Office") to be designated in each Country shall be:
 - (a) receiving complaints and/or inquiries from the persons of the other Country with regard to the laws, regulations and other measures of the former Country which may adversely affect the business activities of the persons of the other Country;
 - (b) transmitting the complaints and/or inquiries referred to in subparagraph (a) above to relevant authorities of the former Country;

- (c) transmitting responses from the relevant authorities of the former Country to the persons that filed the complaints and/or made inquiries;
- (d) providing the persons referred to in subparagraph (a) above with necessary information and advice in collaboration with relevant authorities of the former Country; and
- (e) reporting the findings and actions taken to the Sub-Committee.

2. Each Liaison Office shall endeavor to respond within a reasonable period of time to the persons that filed the complaints and/or made inquiries.

Note: For the purposes of this Article, the term "person" means the person as defined in subparagraph (h) of Article 2 of the Basic Agreement.

Chapter 5 Cooperation in the Field of Human Resource Development

Article 20 General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that sustainable economic growth and prosperity largely depend on people's knowledge and skills, shall cooperate in the field of human resource development.

Article 21 Areas and Forms

Pursuant to Article 145 of the Basic Agreement:

- (a) the areas of cooperation under this Chapter may include:
 - (i) language training and education on culture and social values;
 - (ii) education and training;
 - (iii) development of human resources with knowledge and skills at an advanced level;
 - (iv) harmonization of competency standards; and
 - (v) other areas of cooperation which the Parties deem important; and

- (b) the forms of cooperation under this Chapter may include:
 - (i) encouraging visits and exchanges of experts, scholars, researchers, teachers, trainers and government officials;
 - (ii) promoting the holding of joint seminars, workshops and meetings;
 - (iii) exchanging information, including information on good practices;
 - (iv) encouraging cooperation among educational and research institutions; and
 - (v) other forms of cooperation which the Parties deem important.

Article 22
Technical Assistance to Developing Countries

The Parties, recognizing that their partnership has produced positive effect onto the economic and social development of developing countries, shall cooperate to extend technical assistance to developing countries in the field of human resource development.

Article 23
Working Group on Human Resource Development

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on Human Resource Development (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee on Cooperation (hereinafter referred to in this Agreement as "the Sub-Committee"). The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of human resource development and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and

- (d) discussing other issues relating to cooperation in the field of human resource development.
2. The Working Group shall be composed of the following:
- (a) senior officials from the Ministry of Foreign Affairs of Japan, as co-chair, and senior officials from the Commission on Higher Education and the Technical Education and Skills Development Authority of the Philippines, as co-chairs;
 - (b) for Japan, officials from the Ministry of Foreign Affairs of Japan and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
 - (c) for the Philippines, officials from the Commission on Higher Education and the Technical Education and Skills Development Authority and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.
3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 6
Cooperation in the Field of Financial Services

Article 24
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing the need to enhance financial stability and strengthen the development of financial markets including capital markets (hereinafter referred to in this Chapter as "financial markets") in the Countries, shall cooperate in the field of financial services.

Article 25
Areas

Pursuant to Article 145 of the Basic Agreement, the Parties shall, in accordance with the respective laws and regulations of the Countries, cooperate in the field of financial services with a view to:

- (a) promoting regulatory cooperation in the field of financial services;
- (b) facilitating development of financial markets, in the Countries and of the Asian region; and
- (c) improving financial market infrastructure of the Countries including enhancing the capabilities of the Parties in monitoring financial and other relevant transactions arising from a liberalized trading environment.

Article 26
Regulatory Cooperation

1. The Parties, recognizing the importance of enhancing knowledge and skills, and exchanging experiences, shall promote regulatory cooperation in the field of financial services, with a view to:

- (a) implementing sound prudential policies, and enhancing effective supervision of financial institutions of either Country operating in the other Country;
- (b) responding properly to issues relating to globalization in financial services, including those provided by electronic means;
- (c) maintaining an environment that would promote financial market innovations while ensuring the integrity and stability of the financial systems of the Countries; and
- (d) conducting oversight of global financial institutions to minimize systemic risks and to limit contagion effects in the event of crises.

2. To foster closer regulatory cooperation in the field of financial services under this Article, the Parties shall endeavor to conduct further discussion on the feasible methods to enhance communications between the Parties on financial markets for the purposes of ensuring the integrity and stability of the financial systems of the Countries and of facilitating effective supervision of financial institutions of either Country operating in the other Country.

Article 27
Capital Market Development

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

Article 28
Improvement of Financial Market Infrastructure

The Parties, recognizing that efficient and reliable financial market infrastructure will facilitate trade and investment, shall cooperate in strengthening the financial market infrastructure of the Countries.

Article 29
Development of Regional Financial Markets

The Parties, recognizing the importance of stable and well-functioning financial markets, shall cooperate with a view to contributing to further development of cross-border financial activities in the Asian region and to regional financial stability.

Article 30
Working Group on Financial Services

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on Financial Services (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of financial services and identifying ways of further cooperation;

- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
 - (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
 - (d) discussing other issues relating to cooperation in the field of financial services.
2. The Working Group shall be composed of the following:
- (a) senior officials from the Financial Services Agency of Japan and the Bangko Sentral ng Pilipinas (the Central Bank of the Philippines), as co-chairs;
 - (b) for Japan, officials from the Financial Services Agency, the Ministry of Finance, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies, representatives of the Bank of Japan and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
 - (c) for the Philippines, officials from the Bangko Sentral ng Pilipinas (the Central Bank of the Philippines), the Securities and Exchange Commission, the Insurance Commission and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.
3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 7
Cooperation in the Field of Information and Communications
Technology

Article 31
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing the rapid development of information and communications technology (hereinafter referred to in this Chapter as "ICT") and its benefits in fostering sustainable economic and social development, promoting sound business practices, and enabling partnerships between and among the Parties, private sector and other non-governmental entities in the Countries, shall cooperate in promoting and implementing activities towards the development of human resources in ICT sector, ICT infrastructure, ICT-related services and digital content in the Countries.

Article 32
Areas and Forms

Pursuant to Article 145 of the Basic Agreement:

- (a) the areas of cooperation under this Chapter may include:
 - (i) next generation internet, broadband networks and ubiquitous networks;
 - (ii) use of ICT and use of ICT-related services;
 - (iii) electronic commerce, including facilitation of the procedures of accreditation of certification authorities for electronic signatures;
 - (iv) circulation of digital content over broadband networks;
 - (v) human resource development relating to ICT, including skill standards;
 - (vi) promotion of information exchange on development of technology;
 - (vii) encouragement of research and development; and

- (viii) other areas of cooperation which the Parties deem important; and
- (b) the forms of cooperation under this Chapter may include:
 - (i) conducting dialogues and exchanging information on policy and regulatory issues including best practices on ICT;
 - (ii) encouraging exchange of experts;
 - (iii) promoting capacity building programs, including holding of seminars, workshops and pilot programs;
 - (iv) promoting cooperation between the private sectors, academia and other entities of the Countries; and
 - (v) promoting cooperation in international fora relating to ICT.

Article 33
Working Group on ICT

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on ICT (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of ICT and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
- (d) discussing other issues relating to cooperation in the field of ICT.

2. The Working Group shall be composed of the following:

- (a) senior officials from the Ministry of Foreign Affairs of Japan and the Commission on Information and Communications Technology of the Philippines, as co-chairs;
- (b) for Japan, officials from the Ministry of Foreign Affairs, the Ministry of Internal Affairs and Communications, the Ministry of Economy, Trade and Industry and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
- (c) for the Philippines, officials from the Commission on Information and Communications Technology, the Department of Trade and Industry, the Technical Education and Skills Development Authority, the Board of Investments, the National Telecommunications Commission and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.

3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 8 Cooperation in the Field of Energy and Environment

Article 34 General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that efficient utilization of energy as well as proper management of environment will contribute to the continued expansion of the economies of their respective Countries and sustainable development in the medium and long term, shall cooperate, in the field of energy and environment on the basis of equality and mutual benefit.

Article 35
Areas and Forms

Pursuant to Article 145 of the Basic Agreement,

- (a) the areas of cooperation under this Chapter may include:
 - (i) improvement of utilization of energy;
 - (ii) protection and management of environment;
and
 - (iii) other areas of cooperation which the Parties deem important; and
- (b) the forms of cooperation under this Chapter may include:
 - (i) exchanging information on issues related to policy, technology, investment opportunities, and the promotion and development of business alliances;
 - (ii) promoting the holding of seminars, workshops, and trainings;
 - (iii) encouraging exchange of experts;
 - (iv) encouraging cooperation between the private sectors of the Countries; and
 - (v) promoting cooperation in international fora relating to energy and environment.

Article 36
Working Group on Energy and Environment

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on Energy and Environment (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of energy and environment and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;

- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
 - (d) discussing other issues relating to cooperation in the field of energy and environment.
2. The Working Group shall be composed of the following:
- (a) senior officials from the Ministry of Economy, Trade and Industry of Japan and the Department of Energy of the Philippines, as co-chairs;
 - (b) for Japan, officials from the Ministry of Economy, Trade and Industry, the Ministry of the Environment, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
 - (c) for the Philippines, officials from the Department of Energy, the Department of Environment and Natural Resources and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.
3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 9
Cooperation in the Field of Science and Technology

Article 37
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that science and technology will contribute to the continued expansion of the economies of their respective Countries in the medium and long term, shall cooperate for peaceful purposes, in the field of science and technology on the basis of equality and mutual benefit.

Article 38
Areas and Forms

Pursuant to Article 145 of the Basic Agreement,

- (a) the areas of cooperation under this Chapter may include:
 - (i) advanced science and technology
 - (ii) agriculture, forestry, fisheries and management of natural resources;
 - (iii) human health and nutrition; and
 - (iv) other areas of science and technology suitable to provide a basis for industrial development, which the Parties deem important; and
- (b) the forms of cooperation under this Chapter may include:
 - (i) exchanging information on research and development in areas of mutual interest;
 - (ii) promoting the holding of seminars, workshops, and trainings in areas of mutual interest;
 - (iii) encouraging visits and exchanges of scientists, experts, or technical personnel; and
 - (iv) dissemination of development experiences through producing relevant publications.

Article 39
Working Group on Science and Technology

1. Pursuant to Article 147 of the Basic Agreement, a working group on science and technology (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of science and technology and identifying ways of further cooperation;

- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
 - (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
 - (d) discussing other issues relating to cooperation in the field of science and technology.
2. The Working Group shall be composed of the following:
- (a) senior officials from the Ministry of Foreign Affairs of Japan and the Department of Science and Technology of the Philippines, as co-chairs;
 - (b) for Japan, officials from the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
 - (c) for the Philippines, officials from the Department of Science and Technology and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.
3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Article 40
Protection and Distribution of
Intellectual Property Rights and other Rights of
a Proprietary Nature

1. Scientific and technological information of a non-proprietary nature arising from cooperation between the Parties under this Chapter may be made available to the public by either Party.

2. In accordance with the applicable laws and regulations of the Countries and with relevant international agreements to which the Countries are, or may become parties, the Parties shall ensure the adequate and effective protection, and give due consideration to the distribution, of intellectual property rights or other rights of a proprietary nature resulting from the cooperation between the Parties under this Chapter. The Parties shall consult for this purpose as necessary.

Article 41
Implementing Arrangements

Implementing arrangements setting forth the details and procedures of cooperation under this Chapter may be made between the agencies of the Parties.

Chapter 10
Cooperation in the Field of Trade and Investment Promotion

Article 42
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that efforts of the Parties to facilitate exchange and collaboration between parties, one or both of whom are entities other than the Parties, will promote trade and investment between the Countries, shall cooperate in promoting trade and investment activities conducted by private enterprises of the Countries.

Article 43
Areas and Forms

Pursuant to Article 145 of the Basic Agreement, cooperation under this Chapter may include;

- (a) exchanging views and information on trade and investment;
- (b) encouraging potential investors of the Countries to use Japan External Trade Organization (hereinafter referred to in this Chapter as "JETRO") Business Support Center in the Philippines (BSCP), Invest Japan Business Support Centers (IBSC) and other related facilities operated by JETRO, the Department of Trade and Industry of the Philippines (hereinafter referred to in this Chapter as "DTI") and its attached agencies;

- (c) coorganizing seminars and other events for further expansion of trade and investment in the Countries;
- (d) encouraging exchange of experts, specialists, trainees, and researchers, which may include government officials, to promote and improve knowledge on trade and investment in the Countries;
- (e) exchanging information on investment environment and laws and regulations related to business, to promote further trade and investment and relevant business operations between the Countries; and
- (f) Utilizing contacts between relevant government agencies and relevant entities of the Countries to maximize the benefit of cooperation under this Chapter.

Article 44
Implementing Bodies of Cooperation

1. Pursuant to Article 145 of the Basic Agreement, the cooperation between JETRO and DTI and its attached agencies and other relevant institutions is specified as one of the forms of cooperation under this Chapter.

2. The Parties shall, where necessary and appropriate, facilitate such cooperation conducted by JETRO, DTI and its attached agencies and other relevant institutions.

Chapter 11
Cooperation in the Field of Small and Medium Enterprises

Article 45
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing the fundamental role of small and medium enterprises (hereinafter referred to in this Chapter as "SMEs") in maintaining the dynamism and enhancing the competitiveness of the national economies of their respective Countries, shall cooperate in promoting the development of SMEs of the Countries.

Article 46
Areas and Forms

Pursuant to Article 145 of the Basic Agreement,

- (a) the areas of cooperation under this Chapter may include:
 - (i) strengthening of management and competitiveness of SMEs;
 - (ii) human resource development relating to SMEs; and
 - (iii) other areas of cooperation which the Parties deem important; and
- (b) the forms of cooperation under this Chapter may include:
 - (i) exchanging information on SMEs policies and best practices on SMEs development and promotion;
 - (ii) capacity building for SMEs;
 - (iii) promoting the holding of seminars and workshops; and
 - (iv) encouraging exchange of experts.

Article 47
Working Group on SMEs

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on SMEs (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of SMEs and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
- (d) discussing other issues relating to cooperation in the field of SMEs.

2. The Working Group shall be composed of the following:
- (a) senior officials from the Ministry of Economy, Trade and Industry of Japan and the Department of Trade and Industry of the Philippines (hereinafter referred to in this Chapter as "DTI"), as co-chairs;
 - (b) for Japan, officials from the Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
 - (c) for the Philippines, officials from DTI and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.
3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 12
Cooperation in the Field of Tourism

Article 48
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that tourism will contribute to the enhancement of mutual understanding between peoples of the Countries and that tourism is an important industry for the economies of their respective Countries, shall cooperate in promoting and developing tourism in the Countries.

Article 49
Areas and Forms

Pursuant to Article 145 of the Basic Agreement:

- (a) the areas of cooperation under this Chapter may include:
 - (i) promotion and development of tourism;

- (ii) human resource development; and
 - (iii) other areas of cooperation which the Parties deem important; and
- (b) the forms of cooperation under this Chapter may include:
- (i) encouraging exchange of experts;
 - (ii) exchange of information;
 - (iii) provision of appropriate assistance for tourism promotion campaigns;
 - (iv) promotion of training of persons engaged in the tourism industry; and
 - (v) encouragement and facilitation of cooperation between private entities of the Countries.

Article 50
Working Group on Tourism

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on Tourism (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of tourism and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
- (d) discussing other issues relating to cooperation in the field of tourism.

2. The Working Group shall be composed of the following:

- (a) senior officials from the Ministry of Land, Infrastructure and Transport of Japan and the Department of Tourism of the Philippines, as co-chairs;
- (b) for Japan, officials from the Ministry of Land, Infrastructure and Transport, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities including private sectors with necessary expertise relating to the issues to be discussed; and
- (c) for the Philippines, officials from the Department of Tourism and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities including private sectors with necessary expertise relating to the issues to be discussed.

3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 13
Cooperation in the Field of Transportation

Article 51
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that transportation will contribute to facilitating efficient, safe, and secure movement of goods and people between the Countries, shall cooperate in the field of transportation.

Article 52
Areas and Forms

Pursuant to Article 145 of the Basic Agreement:

- (a) the areas of cooperation under this Chapter may include:
 - (i) improvement of the technology of transportation;
 - (ii) human resource development; and

- (iii) other areas of cooperation which the Parties deem important; and
- (b) the forms of cooperation under this Chapter may include:
 - (i) exchange of information on the technology of transportation;
 - (ii) encouraging exchange of experts and specialists in the technology of transportation;
 - (iii) promoting the holding of seminars and workshops of mutual interest; and
 - (iv) other forms of cooperation which the Parties deem important.

Article 53
Working Group on Transportation

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on Transportation (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of transportation and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
- (d) discussing other issues relating to cooperation in the field of transportation.

2. The Working Group shall be composed of the following:

- (a) senior officials from the Ministry of Land, Infrastructure and Transport of Japan and the Department of Transportation and Communications of the Philippines, as co-chairs;

- (b) for Japan, officials from the Ministry of Land, Infrastructure and Transport, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
- (c) for the Philippines, officials from the Department of Transportation and Communications and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.

3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 14
Cooperation in the Field of
Road Development

Article 54
General Principles

Pursuant to Chapter 14 of the Basic Agreement, the Parties, recognizing that road development will contribute to the continued expansion of the economies of their respective Countries in the medium and long term, shall cooperate in the field of road development.

Article 55
Areas and Forms

Pursuant to Article 145 of the Basic Agreement:

- (a) the areas of cooperation under this Chapter may include:
 - (i) improvement of the technology of road development;
 - (ii) human resource development; and
 - (iii) other areas of cooperation which the Parties deem important; and

- (b) the forms of cooperation under this Chapter may include:
 - (i) exchange of information on the technology of road development;
 - (ii) encouraging exchange of experts and specialists in the technology of road development;
 - (iii) promoting the holding of seminars and workshops of mutual interest; and
 - (iv) other forms of cooperation which the Parties deem important.

Article 56
Working Group on Road Development

1. Pursuant to Article 147 of the Basic Agreement, a Working Group on Road Development (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee. The functions of the Working Group shall include:

- (a) exchanging views and information on cooperation in the field of road development and identifying ways of further cooperation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Chapter;
- (c) reporting the findings and actions taken by the Working Group to the Sub-Committee regarding issues relating to the implementation of this Chapter; and
- (d) discussing other issues relating to cooperation in the field of road development.

2. The Working Group shall be composed of the following:

- (a) senior officials from the Ministry of Land, Infrastructure and Transport of Japan and the Department of Public Works and Highways of the Philippines, as co-chairs;

- (b) for Japan, officials from the Ministry of Land, Infrastructure and Transport, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies and, upon the consent of the Philippines, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed; and
- (c) for the Philippines, officials from the Department of Public Works and Highways and, where appropriate, officials from other government agencies and, upon the consent of Japan, invited representatives of relevant entities with necessary expertise relating to the issues to be discussed.

3. The Working Group shall hold its inaugural meeting within one (1) year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency as the Parties may agree on.

Chapter 15
Dispute Avoidance and Settlement

Article 57
Dispute Avoidance and Settlement

Chapter 15 of the Basic Agreement shall apply *mutatis mutandis* with respect to the avoidance and settlement of disputes between the Parties concerning the interpretation or application of Chapters 1, 2 and 16 of this Agreement.

Chapter 16
Final Provisions

Article 58
Implementation

This Agreement shall be implemented by the Parties in accordance with the Basic Agreement and the laws and regulations in force in their respective Countries and within the available resources of each Party.

Article 59
Headings

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

Article 60
Entry into Force

This Agreement shall enter into force at the same time as the Basic Agreement and shall remain in force as long as the Basic Agreement remains in force. The Parties shall, at the request of a Party, consult with each other as to whether to amend this Agreement.

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

DONE at Helsinki on this ninth day of September, 2006, in duplicate in the English language.

For the Government
of Japan:

小泉純一郎

For the Government
of the Republic
of the Philippines:

Gloria M. Arroyo