

**JAPAN-SINGAPORE (Services)
Summary Fact Sheet**

Table 1: Background Information

Parties	Japan, Singapore	
Type of Agreement	Economic Integration Agreement	
Date of signature	13 January 2002	
Date of entry into force	30 November 2002	
Review envisaged	The Parties are committed to undertake a general review of the operation of the Agreement in 2007 and every five years thereafter (Art. 10)	
Website or contact addresses	The text of the Agreement and its Annexes and Protocols are available at: http://www.fta.gov.sg/fta_jsepa.asp?hl=7 and http://www.mofa.go.jp/region/asia-paci/singapore/jsepa.html	
List of related WTO documents	S/C/N/206/Add.1-2 WT/REG140/1 S/C/M/64 WT/REG140/4 WT/REG140/M/1-2-3 & M/1/Corr.1 WT/REG140/5-6-7	Notification Agreement Terms of reference Standard format Minutes Questions and Replies

Table 2: Scope and general aspects

Scope	Sectors	All sectors except services provided in the exercise of governmental authority.
	Modes of supply	The Agreement covers the four modes of supply (Art. 58.6.(o)).
	Definitions	A "natural person of the other Party" means a natural person who resides in the territory of the other Party or elsewhere and who is (in respect of Japan) a national of Japan, or (in respect of Singapore) a national or permanent resident of Singapore. A "juridical person" means any legal entity duly constituted or otherwise organised under the applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association. A juridical person is: (i) "owned" by persons of a Party if more than 50% of the equity interest in it is beneficially owned by persons of that Party; (ii) "controlled" by persons of a Party if such persons have the power to name a majority of its directors or otherwise to legally direct its actions; (iii) "owned by natural persons of non-Parties" if more than 50% of the equity interest in it is beneficially owned by natural persons of non-Parties; (iv) "controlled by natural persons of non-Parties" if such natural persons have the power to name a majority of its directors or otherwise to legally direct its actions; and (v) "affiliated" with another person when it controls, or is controlled by, that other person; or when it and the other person are both controlled by the same person.
	Positive/negative list	Positive list approach for services; negative list approach for investment.
	Sector-specific rules	Financial Services (Annex IVA) and Telecommunication Services (Annex IVB)
	Sectoral exclusions	Chapter 7 on trade in services does not apply to: in respect of air transport services, measures affecting traffic rights or to measures affecting services directly related to the exercise of traffic rights, other than measures affecting aircraft repair and maintenance services, the selling and marketing of air transport services and computer reservation system services; cabotage in maritime transport services; and government procurement of services. Annexes IVA and IVB provide supplementary provisions for measures affecting the supply of financial and telecommunications services respectively.

Table 3: Provisions of the Agreement

Provision	Article	Additional information
MFN/National treatment	Art. 60, 73 and 89	Each Party accords to services and service suppliers of the other Party, in respect of all measures affecting the supply of services, treatment no less favourable than that it accords to its own like services and service suppliers. Paragraph 2 of Art. 60 adds that a Party may meet the national treatment requirement by according to services and service suppliers of the other Party, either formally

		<p>identical treatment or formally different treatment to that it accords to its own like services and service suppliers. Under Chapter 8 national treatment is also extended to investors of the other Party and to their investments in relation to the establishment, acquisition, expansion, management, operation, maintenance, use, possession, liquidation, sale, or other disposition of investments, treatment no less favourable than the treatment which it accords in like circumstances to its own investors and investments. If a party has entered into an international agreement on trade in services or investment with a non-Party, or enters into such an agreement after this Agreement comes into force, it shall favourably consider according to services and service suppliers of the other Party or to investors of the other Party and their investments, treatment no less favourable than the treatment that it accords to like services and service suppliers of that non-Party or in like circumstances to investors of that non-Party and their investments pursuant to such an agreement.</p>
Market Access	Art. 59	<p>With respect to market access through the four modes of supply, each Party accords services and service suppliers of the other Party treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in its Schedule of specific commitments in Annex IVC.</p>
Elimination of discriminatory measures	Annex IVC; Art. 76.4	<p>The Parties' schedules of specific commitments to liberalise services trade, which expand substantially on those under the GATS, are attached to the services chapter of the Agreement as Annex IVC. Each Party shall endeavour, where appropriate, to reduce or eliminate their investment exceptions in Annexes VA and VB.</p>
Movement of natural person	Chapter 9; Annex VI	<p>The Chapter applies to measures affecting the movement of natural persons of a Party who enter the territory of the other Party for business purposes (Art. 90). Specific commitments regarding natural persons who shall be granted entry and temporary stay in accordance with the terms and conditions of the specific commitment are in Annex VI. These apply only to sectors where specific commitments are taken under Chapter 7 on Trade in Services and no exceptions are made under Chapter 8 on Investment. Chapter 9 does not prevent a Party from applying measures to regulate the entry of natural persons of the other Party into, or their temporary stay in, its territory, including those measures necessary to protect the integrity of, and to ensure the orderly movement of natural persons across, its borders, provided that the measures do not nullify or impair the benefits accruing to the other Party under a specific commitment.</p>
Treatment of third party suppliers	Art. 62	<p>The Parties agree to accord treatment granted under Chapter 7 to service suppliers other than those of the Parties, who are juridical persons constituted under the laws of either Party, and who supply a service through commercial presence, provided that they engage in substantive business operations in the territory of either Party.</p>
Denial of benefits	Art. 70	<p>A Party may deny the benefits of the Chapter on trade in services to the supply of any service, if it establishes: that the service is supplied from or in the territory of a non-Party; that the supply of maritime transport services is by vessels registered under the laws of a non-Party, and by a person which operates or uses the vessel in whole or in part but which is of a non-Party; and that any service supplier that is a juridical person is neither a service supplier of the other Party as defined in Art. 58.6(j) nor a service supplier other than those of the Parties granted benefits under Art. 62.</p>
Standards/mutual recognition	Art. 93	<p>Art. 93 provides a mechanism for mutual recognition of professional qualifications. The Parties have agreed that "a Party may recognise the education or experience obtained, requirements met, or licences or certifications granted in the territory of the other Party of the purposes of fulfilment, in whole or in part, of its standards or criteria</p>

		for the authorisation, licensing or certification of natural persons with professional qualifications”.
Safeguard mechanisms (intra-trade)	Art. 68	The services Chapter has no specific safeguards provisions. Art. 68 covers restrictions to safeguard the balance of payments and allows a Party to adopt or maintain restrictions on trade in services on which it has undertaken specific commitments, including on payments or transfers for transactions related to such commitments. Such restrictions shall: not discriminate between the Parties; ensure that the other Party is treated as favourably as any non-Party; be consistent with the Articles of the IMF Agreement; avoid unnecessary damage to the commercial, economic and financial interests of the other Party; not exceed those necessary to deal with the circumstances described in Art. 68.1; and be temporary and phased out progressively as the situation improves. Any such restrictions adopted or maintained, or any changes therein, shall be promptly notified to the other Party.
Domestic regulations	Art. 64	Each Party will ensure that all measures of general application affecting trade in services are administered in a reasonable, objective and impartial manner as well as maintain or institute as soon as practicable judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected service supplier of the other Party, for the prompt review of, and where justified, appropriate remedies for, administrative decisions affecting trade in services.
Subsidies and state aid	None	
IPR	Art. 96 Chapter 10	The areas of co-operation in IPRs may include: patents, trade secrets and related rights; trade marks and related rights; repression of unfair competition; copyright, designs and related rights; IP brokerage or licensing, IP management, registration and exploitation, and patent mapping; IP protection in the digital environment and the growth and development of e-commerce; technology and market intelligence; and IP education and awareness programmes (Art. 96.2). A Joint Committee on IP is established for effective implementation of Chapter 10 (Art. 97).
Government Procurement	Chapter 11	The Agreement's government procurement obligations incorporate the disciplines of the WTO Agreement on Government Procurement (GPA) (Art. 101), namely Paragraph 2 of Article I, and Article II to Article XXIII of Annex 4 (Art. 101). These disciplines apply <i>mutatis mutandis</i> to procurement of goods and services specified in Annex VIIA, by entities specified in Annex VIIB for thresholds of up to SDR 100,000. When an entity listed in Annex VIIB is privatized, this Chapter no longer applies to that entity and the Party has to notify the other Party of the name of the entity before it is privatized or as soon as possible thereafter.
Competition	Chapter 12; Art. 65 and 66	Each Party will, in accordance with its applicable laws and regulations, take measures which it considers appropriate against anti-competitive activities, in order to facilitate trade and investment flows between the Parties and the efficient functioning of its markets (Article 103.1).
Investment	Chapter 8	The investment Chapter requires that each Party within its territory accords national treatment to investors of the other Party and to their investments (Art. 73) and guarantees access to its courts of justice and administrative tribunals and agencies in all areas of jurisdiction both in pursuit and in defence of such investors' rights (Art. 74). The mechanism for investment dispute settlement between a Party and an investor of the other Party is described in Art. 82. General exceptions under Chapter 8 are set out in Art. 83. Temporary safeguards relating to cross-border capital transactions are allowed for serious balance-of-payments or external financial difficulties or threat thereof or where, in exceptional circumstances, the movement of capital results in serious economic and financial disturbance in

		the Party concerned (Art. 84). A Joint Committee on Investment is established for the effective implementation of Chapter 8.
General reservations	Art. 4, 5, 68 and 69	Articles 4 and 69 set out exceptions to the Agreement based on the relevant WTO provisions including GATS Articles XIV and XIV <i>bis</i> . Art. 5 affirms that the Agreement's provisions do not apply to taxation measures. Art. 68 permits restrictions on trade in services to safeguard the balance of payments.
Level of Government	Art. 58.6. (p)	The term "measures by a Party" mean measures taken by the central or local governments and non-governmental bodies in the exercise of powers delegated by central or local governments. Moreover each Party will take such reasonable measures as may be available to it to ensure observance of the Chapter's provisions by its local governments and non-governmental bodies in the exercise of powers delegated by its central or local governments within its territory.
Accessions	None	
Dispute resolution	Chapter 21	Chapter 21 contains provisions on dispute avoidance and dispute settlement.
Relations with other trade agreements	Art. 6	In the event of any inconsistency between the Agreement and any other agreement to which both Parties are parties, they agree to immediately consult with each other with a view to finding a mutually satisfactory solution, taking into consideration general principles of international law.
Institutional provisions	Art. 8	A Supervisory Committee is established to ensure proper implementation of the Agreement, review the bilateral economic relationship and partnership, and consider the necessity of amending the Agreement for furthering its objectives. The Committee is composed of representatives of the Parties and convenes once a year in regular session alternately in each Party.
Other		The Agreement also includes trade facilitation and bilateral co-operation in key growth areas including; financial services (Chapter 13); information and communications technology (Chapter 14), science and technology (Chapter 15), human resource development (Chapter 16), trade and investment promotion (Chapter 17), small and medium enterprises (Chapter 18), broadcasting (Chapter 19), and tourism (Chapter 20). The Parties also agree to cooperate on Paperless Trading (Chapter 5).

Table 4a Japan's exports to Singapore, 1999-2001
(Yen 100 million)

	1999	2000	2001
Total exports of services	3,797	4,644	4,340
Transportation	1,359	1,604	1,683
Sea Transport	1,024	1,157	1,276
Air Transport	334	445	407
Travel	65	61	61
Other Services	2,373	2,979	2,595
Communication Services	19	20	12
Construction Services	459	274	220
Insurance Services	3	-12	-22
Financial Services	84	42	28
Computer and Information Services	199	291	268
Royalties and Licence Fees	252	323	323
Other Business Services	1,317	2,010	1,732
Personal, Cultural and Recreational Services	10	2	5
Government Services n.i.e.	30	29	29

Source: Ministry of Finance, Japan, Balance of payments survey

Table 4b Singapore's exports of services to Japan, 1999-2001
(S\$ million)

	1999	2000	2001
Total	3,296.4	3,811.1	3,665.9
Transportation	2,058.0	2,250.6	2,104.3
Travel
Financial	75.2	98.2	72.9
Insurance	63.6	86.0	118.1
Business Services	957.7	1,182.2	1,109.6
Technical & Other Business-Related Services	140.4	183.0	238.6
Royalties	1.5	11.0	22.2
Cultural, Sports & Recreational Services	-	0.1	0.2

.. Not available

Source: Singapore Department of Statistics, International Trade in Services Survey