

AGREEMENT BETWEEN
JAPAN AND THE REPUBLIC OF UZBEKISTAN
FOR THE LIBERALIZATION, PROMOTION
AND PROTECTION OF INVESTMENT

Japan and the Republic of Uzbekistan (hereinafter referred to as "the Contracting Parties"),

Desiring to further promote investment in order to strengthen the economic relationship between the two countries;

Intending to further create stable, equitable, favorable and transparent conditions for greater investment by investors of one country in the Area of the other country;

Recognizing the growing importance of the progressive liberalization of investment for stimulating initiative of investors and for promoting prosperity in both countries;

Recognizing that these objectives can be achieved without relaxing health, safety and environmental measures of general application;

Recognizing the importance of the cooperative relationship between labor and management in promoting investment between both countries;

Wishing that this Agreement will contribute to the strengthening of international cooperation with respect to the development of international rules on foreign investment; and

Believing that this Agreement marks the beginning of new economic partnership between the two countries;

Have agreed as follows:

Article 1

For the purposes of this Agreement,

(1) The term "investments" means every kind of asset owned or controlled, directly or indirectly, by an investor of a Contracting Party, including:

(a) an enterprise and a branch of an enterprise;

- (b) shares, stocks or other forms of equity participation in an enterprise, including rights derived therefrom;
- (c) bonds, debentures, loans and other forms of debt, including rights derived therefrom;
- (d) rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts which are associated with investment;
- (e) claims to money and to any performance under contract having a financial value which are associated with investment;
- (f) intellectual property rights, including copy rights and related rights, patent rights and rights relating to utility models, trademarks, industrial designs, layout-designs of integrated circuits, new varieties of plants, trade names, indications of source or geographical indications and undisclosed information;
- (g) rights conferred pursuant to laws and regulations or contracts such as concessions, licenses, authorizations, and permits, including those for the exploration and exploitation of natural resources; and
- (h) any other tangible and intangible, movable and immovable property, and any related property rights, such as leases, mortgages, liens and pledges.

Investments include revenues. A change in the form in which assets are invested does not affect their character as investments.

(2) The term "revenues" means the amounts yielded by investments, in particular, profit, interest, capital gains, dividends, royalties and fees.

(3) The term "investor of a Contracting Party" means:

- (a) a natural person having the nationality of that Contracting Party in accordance with its laws and regulations; or
- (b) an enterprise of that Contracting Party,

that seeks to make, is making, or has made investments in the Area of the other Contracting Party.

(4) The term "an enterprise of a Contracting Party" means any legal person or any other entity duly constituted or organized under the laws and regulations of that Contracting Party, whether or not for profit, and whether private or government owned or controlled, including any corporation, trust, partnership, sole proprietorship, joint venture, association, organization or company.

(5) An enterprise is:

- (a) "owned" by an investor if more than fifty (50) percent of the equity interest in it is owned by the investor; and
- (b) "controlled" by an investor if the investor has the power to name a majority of its directors or otherwise to legally direct its actions.

(6) The term "Area" means with respect to a Contracting Party (a) the territory of that Contracting Party; and (b) the exclusive economic zone and the continental shelf with respect to which that Contracting Party exercises sovereign rights or jurisdiction in accordance with international law.

(7) The term "the WTO Agreement" means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh, April 15, 1994, as may be amended.

Article 2

1. Each Contracting Party shall in its Area accord to investors of the other Contracting Party and to their investments treatment no less favorable than the treatment it accords in like circumstances to its own investors and their investments with respect to the establishment, acquisition, expansion, operation, management, maintenance, use, enjoyment, and sale or other disposal of investments (hereinafter referred to as "investment activities").

2. Notwithstanding paragraph 1 above, each Contracting Party may prescribe special formalities in connection with investment activities of investors of the other Contracting Party in its Area, provided that such special formalities do not impair the substance of the rights of such investors under this Agreement.

3. Each Contracting Party shall in its Area accord to investors of the other Contracting Party and to their investments treatment no less favorable than the treatment it accords in like circumstances to investors of a non-Contracting Party and to their investments with respect to investment activities.

4. The provisions of paragraph 1 above do not prevent either Contracting Party from differentiating between treatments accorded in accordance with its laws and regulations relating to taxes and custom duties.

5. The provisions of paragraph 3 above shall not be construed so as to oblige a Contracting Party to extend to investors of the other Contracting Party special tax advantages accorded to investors of a non-Contracting Party, on the basis of reciprocity with the non-Contracting Party or by virtue of any agreement relating to taxes and custom duties in force between the former Contracting Party and the non-Contracting Party.

Article 3

1. Each Contracting Party shall accord to investments of the other Contracting Party fair and equitable treatment as well as full protection and security.

2. Neither Contracting Party shall, within its Area, in any way impair the operation, management, maintenance, use, enjoyment and sale or other disposal of investments of investors of the other Contracting Party by arbitrary measures.

3. Each Contracting Party shall observe any obligation it may have entered into with regard to investments and investment activities of investors of the other Contracting Party.

Article 4

Each Contracting Party shall in its Area accord to investors of the other Contracting Party treatment no less favorable than the treatment which it accords in like circumstances to its own investors or investors of a non-Contracting Party with respect to access to the courts of justice and administrative tribunals and agencies in all degrees of jurisdiction, both in pursuit and in defense of such investors' rights.

Article 5

1. Neither Contracting Party shall impose or enforce, as a condition for investment activities in its Area of an investor of the other Contracting Party, any of the following requirements:

- (a) to export a given level or percentage of goods or services;
- (b) to achieve a given level or percentage of domestic content;
- (c) to purchase, use or accord a preference to goods produced or services provided in its Area, or to purchase goods or services from natural or legal persons or any other entity in its Area;
- (d) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with investments of that investor;
- (e) to restrict sales of goods or services in its Area that investments of that investor produce or provide by relating such sales in any way to the volume or value of its exports or foreign exchange earnings;
- (f) to restrict the exportation or sale for export;
- (g) to appoint, as executives, managers or members of boards of directors, individuals of any particular nationality;
- (h) to transfer technology, a production process or other proprietary knowledge to a natural or legal person or any other entity in its Area, except when the requirement (i) is imposed or enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition laws; or (ii) concerns the transfer of intellectual property rights which is undertaken in a manner not inconsistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement (hereinafter referred to as "the TRIPS Agreement");
- (i) to locate the headquarters of that investor for a specific region or the world market in its Area;

- (j) to hire a given number or percentage of its nationals;
- (k) to achieve a given level or value of research and development in its Area; or
- (l) to supply one or more of the goods that the investor produces or the services that the investor provides to a specific region or the world market, exclusively from the Area of the former Contracting Party.

2. The provisions of paragraph 1 above do not preclude Japan from conditioning the receipt of an advantage, in connection with investment activities in its Area of an investor of the Republic of Uzbekistan, on compliance with any of the requirements set forth in paragraph 1 (g) through (l) above.

3. The provisions of paragraph 1 above do not preclude the Republic of Uzbekistan from conditioning the receipt of an advantage, in connection with investment activities in its Area of an investor of Japan, on compliance with any of the requirements set forth in paragraph 1 above.

Article 6

1. Paragraphs 1 and 3 of Article 2 and Article 5 shall not apply to:

- (a) any existing non-conforming measure that is maintained by the following, as set out in its Schedule in Annex I:
 - (i) the central government of a Contracting Party; or
 - (ii) a prefecture of Japan or a province of the Republic of Uzbekistan;
- (b) any existing non-conforming measure that is maintained by a local government other than a prefecture and a province referred to in subparagraph (a)(ii);
- (c) the continuation or prompt renewal of any non-conforming measure referred to in subparagraphs (a) and (b); or

- (d) an amendment or modification to any non-conforming measure referred to in subparagraphs (a) and (b), provided that the amendment or modification does not decrease the conformity of the measure as it existed immediately before the amendment or modification, with paragraphs 1 and 3 of Article 2 and Article 5.

2. Paragraphs 1 and 3 of Article 2 and Article 5 shall not apply to any measure that a Contracting Party adopts or maintains with respect to sectors, sub-sectors or activities set out in its Schedule in Annex II.

3. Neither Contracting Party shall, under any measure adopted after the date of entry into force of this Agreement and covered by its Schedule in Annex II, require an investor of the other Contracting Party, by reason of its nationality, to sell or otherwise dispose of investments that exists at the time the measure becomes effective.

4. In cases where a Contracting Party makes an amendment or a modification to any existing non-conforming measure set out in its Schedule in Annex I or where a Contracting Party adopts any new or more restrictive measure with respect to sectors, sub-sectors or activities set out in its Schedule in Annex II after the entry into force of this Agreement, the Contracting Party shall, prior to the implementation of the amendment or modification or the new or more restrictive measure, or in exceptional circumstances, as soon as possible thereafter:

- (a) notify the other Contracting Party of detailed information on such amendment, modification or measure; and
- (b) hold, upon request by the other Contracting Party, consultations in good-faith with that other Contracting Party with a view to achieving mutual satisfaction.

5. Each Contracting Party shall endeavor, where appropriate, to reduce or eliminate the reservations specified in its Schedules in Annexes I and II respectively.

6. Paragraphs 1 and 3 of Article 2 and Article 5 shall not apply to any measure covered by the exceptions to, or derogations from, obligations under Articles 3 and 4 of the TRIPS Agreement, as specifically provided in Articles 3 through 5 of the TRIPS Agreement.

7. Paragraphs 1 and 3 of Article 2 and Article 5 shall not apply to any measure that a Contracting Party adopts or maintains with respect to government procurement.

Article 7

1. Each Contracting Party shall promptly publish, or otherwise make publicly available, its laws, regulations, administrative procedures, administrative rulings of general application and international agreements as well as, in accordance with its laws and regulations, judicial decisions of general application, which pertain to or affect investment activities.

2. Each Contracting Party shall, upon request by the other Contracting Party, promptly respond to specific questions and provide that other Contracting Party with information on matters set out in paragraph 1 above, including that relating to contract each Contracting Party enters into with regard to investment.

3. The provisions of paragraphs 1 and 2 above shall not be construed so as to oblige either Contracting Party to disclose confidential information, the disclosure of which would impede law enforcement or otherwise be contrary to the public interest, or which would prejudice privacy or legitimate commercial interests.

Article 8

The Government of each Contracting Party shall, in accordance with the laws and regulations of the Contracting Party, endeavor to provide, except in cases of emergency or of purely minor nature, a reasonable opportunity for comments by the public before the adoption, amendment or repeal of regulations of general application that affect any matter covered by this Agreement.

Article 9

Each Contracting Party shall ensure that measures and efforts are undertaken to prevent and combat corruption regarding matters covered by this Agreement in accordance with its laws and regulations.

Article 10

Each Contracting Party shall, in accordance with its laws and regulations, give sympathetic consideration to applications for the entry, sojourn and residence of a natural person having the nationality of the other Contracting Party who wish to enter the territory of the former Contracting Party and remain therein for the purpose of investment activities.

Article 11

1. Neither Contracting Party shall expropriate or nationalize investments in its Area of investors of the other Contracting Party or take any measure equivalent to expropriation or nationalization (hereinafter referred to as "expropriation") except: (a) for a public purpose; (b) in a non-discriminatory manner; (c) upon payment of prompt, adequate and effective compensation pursuant to paragraphs 2, 3, and 4; and (d) in accordance with due process of law and Article 3.

2. Compensation shall be equivalent to the fair market value of the expropriated investments at the time when the expropriation was publicly announced or when the expropriation occurred, whichever is earlier. The fair market value shall not reflect any change in value occurring because the expropriation had become publicly known earlier.

3. The compensation shall be paid without delay and shall include interest at a commercially reasonable rate, taking into account the length of time until the time of payment. It shall be effectively realizable and freely transferable and shall be freely convertible into the currency of the Contracting Party of the investors concerned, and into freely usable currencies as defined in the Articles of Agreement of the International Monetary Fund, as may be amended, at the market exchange rate prevailing on the date of expropriation.

4. Without prejudice to the provisions of Article 16, the investors affected by expropriation shall have a right of access, in accordance with the procedures established by the laws and regulations of the Contracting Party making the expropriation, to its courts of justice or administrative tribunals or agencies to seek a prompt review of the investors' case and the amount of compensation in accordance with the principles set out in this Article.

Article 12

1. Each Contracting Party shall accord to investors of the other Contracting Party that have suffered loss or damage relating to their investments in the Area of the former Contracting Party due to armed conflict or a state of emergency such as revolution, insurrection, civil disturbance or any other similar event in the Area of that former Contracting Party, treatment, as regards restitution, indemnification, compensation or any other settlement, that is no less favorable than that which it accords to its own investors or to investors of a non-Contracting Party, whichever is more favorable to the investors of the other Contracting Party.

2. Any payment as a means of settlement referred to in paragraph 1 above shall be effectively realizable, freely transferable and freely convertible at the market exchange rate prevailing at the time of payment into the currency of the Contracting Party of the investors concerned and freely usable currencies.

Article 13

If a Contracting Party or its designated agency makes a payment to any investor of that Contracting Party under an indemnity, guarantee or insurance contract, made in accordance with its laws and regulations, pertaining to investments of such investor in the Area of the other Contracting Party, the latter Contracting Party shall recognize the assignment to the former Contracting Party or its designated agency of any right or claim of such investor on account of which such payment is made and shall recognize the right of the former Contracting Party or its designated agency to exercise by virtue of subrogation any such right or claim to the same extent as the original right or claim of the investor. As regards payment to be made to that former Contracting Party or its designated agency by virtue of such assignment of right or claim and the assignment of such payment, the provisions of Articles 11, 12 and 14 shall apply *mutatis mutandis*.

Article 14

1. Each Contracting Party shall ensure that all transfers relating to investments in its Area of an investor of the other Contracting Party may be freely made into and out of its Area without delay. Such transfers shall include, in particular, though not exclusively:

- (a) the initial capital and additional amounts to maintain or increase investments;
- (b) revenues;
- (c) payments made under a contract including loan payments in connection with investments;
- (d) proceeds of the total or partial sale or liquidation of investments;
- (e) earnings and remuneration of personnel engaged from the other Contracting Party who work in connection with investments in the Area of the former Contracting Party;
- (f) payments made in accordance with Articles 11 and 12; and
- (g) payments arising out of the settlement of a dispute under Article 16.

2. Each Contracting Party shall further ensure that such transfers may be made without delay in freely usable currencies at the market rate of exchange prevailing on the date of the transfer.

3. Notwithstanding paragraphs 1 and 2 above, a Contracting Party may delay or prevent a transfer through the equitable, non-discriminatory and good-faith application of its laws and regulations relating to:

- (a) bankruptcy, insolvency or the protection of the rights of creditors;
- (b) issuing, trading or dealing in securities;
- (c) criminal or penal offenses; or
- (d) ensuring compliance with orders or judgments in adjudicatory proceedings.

Article 15

1. Each Contracting Party shall accord sympathetic consideration to, and shall afford adequate opportunity for consultation regarding, such representations as the other Contracting Party may make with respect to any matter affecting the operation of this Agreement.

2. Any dispute between the Contracting Parties as to the interpretation or application of the provisions of this Agreement shall, as far as possible, be settled through diplomatic channels by means of negotiations.

3. If the dispute referred to in paragraph 2 above is not satisfactorily adjusted by diplomacy, it shall be referred for decision to an arbitration board. Such arbitration board shall be composed of three arbitrators, with each Contracting Party appointing one arbitrator within a period of thirty days from the date of receipt by either Contracting Party from the other Contracting Party of a note requesting arbitration of the dispute, and the third arbitrator to be agreed upon as President by the two arbitrators so chosen within a further period of thirty days, provided that the third arbitrator shall not be a national of either Contracting Party.

4. If the third arbitrator is not agreed upon between the arbitrators appointed by each Contracting Party within the further period of thirty days referred to in the provisions of paragraph 3 above, the Contracting Parties shall request the President of the International Court of Justice to appoint the third arbitrator who shall not be a national of either Contracting Party.

5. The arbitration board shall within a reasonable period of time reach its decisions by a majority of votes. Such decisions shall be final and binding.

6. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings. The cost of the President of the arbitration board in discharging his or her duties and the remaining costs of the arbitration board shall be borne equally by the Contracting Parties.

Article 16

1. For the purposes of this Article, an investment dispute is a dispute between a Contracting Party and an investor of the other Contracting Party that has incurred loss or damage by reason of, or arising out of, an alleged breach of any right conferred by this Agreement with respect to the investor of that other Contracting Party or its investments in the Area of the former Contracting Party.

2. Any investment dispute shall, as far as possible, be settled amicably through consultation between the parties to the investment dispute.

3. If the investment dispute cannot be settled through such consultations within three months from the date on which the investor requested the consultation in writing, the investment dispute shall at the request of the investor concerned be submitted to either:

(1) conciliation or arbitration in accordance with the provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of Other States done at Washington D.C. on March 18, 1965 so long as the Convention is in force between the Contracting Parties, or conciliation or arbitration under the Additional Facility Rules of the International Center for Settlement of Investment Disputes so long as the Convention is not in force between the Contracting Parties; or

(2) arbitration under the Arbitration Rules of the United Nations Commission on International Trade Law, adopted by the United Nations Commission on International Trade Law on April 28, 1976.

4. A Contracting Party which is a party to an investment dispute hereby consents to the submission of the investment dispute to international conciliation or arbitration referred to in paragraph 3 above in accordance with the provisions of this Article.

5. The decision of arbitration shall be final and binding upon both parties to the investment dispute. This decision shall be executed by the laws and regulations concerning the execution of decision in force in the country in whose Area such execution is sought.

6. So long as an investor of either Contracting Party is seeking judicial or administrative settlement in the Area of the other Contracting Party or arbitral decision in accordance with any applicable previously agreed dispute-settlement procedures, concerning an investment dispute, or in the event that a final judicial settlement on such dispute has been made, such dispute shall not be submitted to arbitration referred to in the provisions of this Article.

7. Nothing in this Article shall be construed so as to prevent an investor from seeking judicial or administrative settlement in the Area of the Contracting Party which is a party to an investment dispute.

Article 17

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination against the other Contracting Party, or a disguised restriction on investments of investors of the other Contracting Party in the Area of a Contracting Party, nothing in this Agreement other than Article 12 shall be construed to prevent a Contracting Party from adopting or enforcing measures:

- (a) necessary to protect human, animal or plant life or health;
- (b) necessary to protect public morals or to maintain public order;

Note: The public order exception may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

- (c) necessary to secure compliance with the laws or regulations which are not inconsistent with the provisions of this Agreement including those relating to:
 - (i) the prevention of deceptive and fraudulent practices or to deal with the effects of a default on contract;
 - (ii) the protection of the privacy of the individual in relation to the processing and dissemination of personal data and the protection of confidentiality of personal records and accounts; or
 - (iii) safety;
- (d) which it considers necessary for protection of its essential security interests:
 - (i) taken in time of war, or armed conflict, or other emergency in that Contracting Party or in international relations; or
 - (ii) relating to the implementation of national policies or international agreements respecting the non-proliferation of weapons;

- (e) in pursuance of its obligations under United Nations Charter for the maintenance of international peace and security; or
- (f) imposed for the protection of national treasures of artistic, historic or archaeological value.

2. In cases where a Contracting Party takes any measure, pursuant to paragraph 1 above, that does not conform with the obligations of the provisions of this Agreement other than the provisions of Article 12, that Contracting Party shall, prior to the entry into force of the measure or as soon thereafter as possible, notify the other Contracting Party of the following elements of the measure:

- (a) sector and sub-sector or matter;
- (b) obligation or article in respect of the measure;
- (c) legal source of the measure;
- (d) succinct description of the measure; and
- (e) purpose of the measure.

Article 18

1. A Contracting Party may adopt or maintain measures not conforming with its obligations under paragraph 1 of Article 2 relating to cross-border capital transactions and Article 14:

- (a) in the event of serious balance-of-payments and external financial difficulties or threat thereof; or
- (b) in cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious difficulties for macroeconomic management, in particular, monetary and exchange rate policies.

2. Measures referred to in paragraph 1 above:

- (a) shall be consistent with the Articles of Agreement of the International Monetary Fund, as may be amended, so long as the Contracting Party taking the measures is a party to the said Articles;

- (b) shall not exceed those necessary to deal with the circumstances set out in paragraph 1 above;
- (c) shall be temporary and shall be eliminated as soon as conditions permit;
- (d) shall be promptly notified to the other Contracting Party; and
- (e) shall avoid unnecessary damages to the commercial, economic and financial interests of the other Contracting Party.

3. Nothing in this Agreement shall be regarded as altering the rights enjoyed and obligations undertaken by a Contracting Party as a party to the Articles of Agreement of the International Monetary Fund, as may be amended.

Article 19

1. Notwithstanding any other provisions of this Agreement, a Contracting Party shall not be prevented from taking measures relating to financial services for prudential reasons, including measures for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by an enterprise supplying financial services, or to ensure the integrity and stability of its financial system.

2. In cases where a Contracting Party takes any measure, pursuant to paragraph 1 above, that does not conform with the obligations of the provisions of this Agreement, that Contracting Party shall not use such measure as a means of avoiding its obligations.

Article 20

1. Nothing in this Agreement shall be construed so as to derogate from the rights and obligations under multilateral agreements in respect of protection of intellectual property rights to which the Contracting Parties are parties.

2. Nothing in this Agreement shall be construed so as to oblige either Contracting Party to extend to investors of the other Contracting Party and their investments treatment accorded to investors of a non-Contracting Party and their investments by virtue of multilateral agreements in respect of protection of intellectual property rights, to which the former Contracting Party is a party.

3. The Contracting Parties shall give due consideration to the adequate and effective protection of intellectual property rights and shall promptly consult with each other for this purpose at the request of either Contracting Party. Depending on the results of the consultation, each Contracting Party shall, in accordance with its laws and regulations, take appropriate measures to remove the factors which are recognized as having adverse effects to the investments.

Article 21

Nothing in this Agreement shall affect the rights and obligations of either Contracting Party under any convention for the avoidance of double taxation. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.

Article 22

1. The Contracting Parties shall establish a Joint Committee (hereinafter referred to as "the Committee") with a view to accomplishing the objectives of this Agreement. The functions of the Committee shall be:

- (a) to discuss and review the implementation and operation of this Agreement;
- (b) to review the exceptional measures maintained, amended, modified or adopted pursuant to paragraph 1 of Article 6 for the purpose of contributing to the reduction or elimination of such exceptional measures;
- (c) to discuss the exceptional measures adopted or maintained pursuant to paragraph 2 of Article 6 for the purpose of encouraging favorable conditions for investors of the Contracting Parties; and
- (d) to discuss any other investment-related matters concerning this Agreement.

2. The Committee may, as necessary, make appropriate recommendations by consensus to the Contracting Parties for the more effective functioning or the attainment of the objectives of this Agreement.

3. The Committee shall be composed of representatives of the Contracting Parties. The Committee shall determine its own rules of procedure to carry out its functions.

4. The Committee may establish sub-committees and delegate specific tasks to such sub-committees. The Committee, upon mutual consent of the Contracting Parties, may hold joint meetings with the private sectors.

5. The Committee shall meet upon the request of either Contracting Party.

Article 23

The Contracting Parties recognize that it is inappropriate to encourage investment by investors of the other Contracting Party and of a non-Contracting Party by relaxing its health, safety or environmental measures, or by lowering its labor standards. To this effect each Contracting Party should not waive or otherwise derogate from such measures and standards as an encouragement for the establishment, acquisition or expansion in its Area of investments by investors of the other Contracting Party and of a non-Contracting Party.

Article 24

1. A Contracting Party may deny the benefits of this Agreement to an investor of the other Contracting Party that is an enterprise of the other Contracting Party and to its investments if the enterprise is owned or controlled by an investor of a non-Contracting Party and the denying Contracting Party:

- (a) does not maintain diplomatic relations with the non-Contracting Party; or
- (b) adopts or maintains measures with respect to the non-Contracting Party that prohibit transactions with the enterprise or that would be violated or circumvented if the benefits of this Agreement were accorded to the enterprise or to its investments.

2. Subject to prior notification and consultation, a Contracting Party may deny the benefits of this Agreement to an investor of the other Contracting Party that is an enterprise of the other Contracting Party and to its investments if the enterprise is owned or controlled by an investor of a non-Contracting Party and the enterprise has no substantial business activities in the Area of the other Contracting Party.

Article 25

1. This Agreement shall also apply to all investments of investors of either Contracting Party acquired in the Area of the other Contracting Party in accordance with the laws and regulations of that other Contracting Party prior to the entry into force of this Agreement.

2. This Agreement shall not apply to claims arising out of events which occurred, or to claims which had been settled, prior to its entry into force.

Article 26

1. This Agreement shall enter into force on the thirtieth day after the date of exchange of diplomatic notes between the Governments of the Contracting Parties informing each other that their respective legal procedures necessary for the entry into force of this Agreement have been completed. It shall remain in force for a period of ten years after its entry into force and shall continue in force unless terminated as provided in paragraph 2 below.

2. A Contracting Party may, by giving one year's advance notice in writing to the other Contracting Party, terminate this Agreement at the end of the initial ten year period or at any time thereafter.

3. In respect of investments acquired prior to the date of termination of this Agreement, the provisions of this Agreement shall continue to be effective for a period of ten years from the date of termination of this Agreement.

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

5. Either Contracting Party may at any time request consultation with the other Contracting Party for the purpose of amending the present Agreement.

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

DONE in duplicate at Tashkent, on this fifteenth day
of August 2008, in the English language.

FOR JAPAN:

FOR THE REPUBLIC OF UZBEKISTAN:

Annex I
Reservations for Measures referred to
in paragraph 1 of Article 6

1. The Schedule of a Contracting Party sets out, pursuant to paragraph 1 of Article 6, the reservations taken by that Contracting Party with respect to existing measures that do not conform with obligations imposed by:

- (a) Paragraph 1 of Article 2 (National Treatment);
- (b) Paragraph 3 of Article 2 (Most-Favored-Nation Treatment); or
- (c) Article 5 (Prohibition of Performance Requirements).

2. Each reservation sets out the following elements:

- (a) "Sector" refers to the general sector in which the reservation is taken;
- (b) "Sub-Sector" refers to the specific sector in which the reservation is taken;
- (c) "Industry Classification" refers, where applicable, only for transparency purposes, to the activity covered by the reservation according to domestic or international industry classification codes;
- (d) "Type of Reservation" specifies the obligations referred to in paragraph 1 for which the reservation is taken;
- (e) "Level of Government" indicates the level of government maintaining the measure for which the reservation is taken;
- (f) "Measures" identifies the existing laws, regulations or other measures for which the reservation is taken. A measure cited in the "Measures" element:
 - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement; and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

- (g) "Description" sets out, with regard to the obligations referred to in paragraph 1, the non-conforming aspects of the existing measures for which the reservation is taken.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of this Agreement against which the reservation is taken, and the "Measures" element shall prevail over all other elements.

4. For the purposes of this Annex I, the term "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007.

Schedule of Japan

1 Sector: Finance

Sub-Sector: Banking

Industry Classification: JSIC 622 Banks, except central bank

JSIC 631 Financial institutions for small-businesses

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Deposit Insurance Law (Law No. 34 of 1971), Article 2

Description: The deposit insurance system only covers financial institutions which have their head offices within the jurisdiction of Japan. The deposit insurance system does not cover deposits taken by branches of foreign banks.

2 Sector: Heat Supply

Sub-Sector:

Industry Classification: JSIC 3511 Heat Supply

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade
Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261 of
1980), Article 3

Description: The prior notification requirement
under the Foreign Exchange and
Foreign Trade Law applies to foreign
investors who intend to make
investment in heat supply industry in
Japan.

3 Sector: Information and Communications

Sub-Sector: Telecommunications

Industry Classification: JSIC 3700 Head offices primarily engaged in managerial operations

JSIC 3711 Regional telecommunications, except wire broadcast telephones

JSIC 3731 Services incidental to telecommunications

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Prohibition of Performance Requirements (Article 5)

Level of Government: Central Government

Measures: Law Concerning Nippon Telegraph and Telephone Corporation (Law No. 85 of 1984), Articles 6 and 10

Description: 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 and/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.

4 Sector: Information and Communications

Sub-Sector: Telecommunications and Internet Based Services

Industry Classification: JSIC 3711 Regional telecommunications, except wire broadcast telephones

JSIC 3712 Long-distance telecommunications

JSIC 3719 Miscellaneous fixed telecommunications

JSIC 3721 Mobile telecommunications

JSIC 401 Internet based services

Note: The activities covered by the reservation under JSIC 3711, 3712, 3719, 3721 or 401 are limited to the activities which are subject to the registration obligation under Article 9 of the Telecommunications Business Law (Law No. 86 of 1984).

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in telecommunications business and internet based services in Japan.

5 Sector: Manufacturing

Sub-Sector: Drugs and Medicines Manufacturing

Industry Classification: JSIC 1653 Biological preparations

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies 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 establishment which mainly produces vaccine, serum, toxoid, antitoxin and some preparations similar to the aforementioned products, or blood products.

| | | | |
|---|-----------------------------|---|--|
| 6 | Sector: | Manufacturing | |
| | Sub-Sector: | Leather and Leather Products Manufacturing | |
| | Industry Classification: | JSIC 1189 | Textile apparel and accessories, n.e.c. |
| | | JSIC 1694 | Gelatine and adhesives |
| | | JSIC 192 | Rubber and plastic footwear and its findings |
| | | JSIC 2011 | Leather tanning and finishing |
| | | JSIC 2021 | Mechanical leather products, except gloves and mittens |
| | | JSIC 2031 | Cut stock and findings for boots and shoes |
| | | JSIC 2041 | Leather footwear |
| | | JSIC 2051 | Leather gloves and mittens |
| | | JSIC 2061 | Baggage |
| | | JSIC 207 | Handbags and small leather cases |
| | | JSIC 2081 | Fur skins |
| | | JSIC 2099 | Miscellaneous leather products |
| | | JSIC 3253 | Sporting and athletic goods |

Note 1: The activities covered by the reservation under JSIC 1189 or 3253 are limited to the activities related to leather and leather products manufacturing.

Note 2: The activities covered by the reservation under JSIC 1694 are limited to the activities related to animal glue (nikawa) and gelatine manufacturing.

| | |
|----------------------|---|
| Type of Reservation: | National Treatment (Paragraph 1 of Article 2) |
| Level of Government: | Central Government |
| Measures: | Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27 Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3 |
| Description: | The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investment in leather and leather products manufacturing industry in Japan. |

7 Sector: Matters Related to the Nationality of a Ship

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Prohibition of Performance Requirements (Article 5)

Level of Government: Central Government

Measures: Ship Law (Law No. 46 of 1899), Article 1

Description: The Japanese nationality shall be given to a ship whose owner is a Japanese national, or a company established under Japanese law, of which all the representatives and not less than two-thirds of the executives administering the affairs are Japanese nationals.

8 Sector: Mining

Sub-Sector:

Industry Classification: JSIC 05 Mining and quarrying of stone and gravel

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Mining Law (Law No. 289 of 1950), Chapters 2 and 3

Description: Only a Japanese national or a Japanese legal person may have mining rights or mining lease rights.

9 Sector: Oil Industry

Sub-Sector:

| | | |
|--------------------------|-----------|---|
| Industry Classification: | JSIC 053 | Crude petroleum and natural gas production |
| | JSIC 1711 | Petroleum refining |
| | JSIC 1721 | Lubricating oils and greases (not made in petroleum refineries) |
| | JSIC 1741 | Paving materials |
| | JSIC 1799 | Miscellaneous petroleum and coal products |
| | JSIC 4711 | Ordinary warehousing |
| | JSIC 4721 | Refrigerated warehousing |
| | JSIC 5331 | Petroleum |
| | JSIC 6051 | Petrol stations (gasoline service stations) |
| | JSIC 6052 | Fuel stores, except gasoline service stations |
| | JSIC 9299 | Miscellaneous business services, n.e.c. |

Note 1: The activities covered by the reservation under JSIC 1741, 1799, 4711, 4721 or 6052 are limited to the activities related to oil industry.

Note 2: The activities covered by the reservation under JSIC 9299 are limited to liquefied petroleum gas industry.

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investment in oil industry in Japan. All organic chemicals such as ethylene, ethylene glycol and polycarbonates are outside the scope of the oil industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investment in the manufacture of these products.

10 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 reservation No. 7 in List in Annex II)

Sub-Sector:

| | | |
|--------------------------|-----------|--|
| Industry Classification: | JSIC 01 | Agriculture |
| | JSIC 02 | Forestry |
| | JSIC 03 | fisheries, except aquaculture |
| | JSIC 04 | Aquaculture |
| | JSIC 6324 | Agricultural cooperatives |
| | JSIC 6325 | Fishery and fishery processing cooperatives |
| | JSIC 871 | Agriculture, forestry and fisheries cooperative associations, n.e.c. |

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies 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 reservation No. 7 in List in Annex II) in Japan.

11 Sector: Security Guard Services

Sub-Sector:

Industry Classification: JSIC 9231 Guard services

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in security guard services in Japan.

12 Sector: Transport

Sub-Sector: Air Transport

Industry Classification: JSIC 4600 Head offices primarily engaged in managerial operations

JSIC 4611 Air transport

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Most-Favored-Nation Treatment (Paragraph 3 of Article 2)

Prohibition of Performance Requirements (Article 5)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8

Description: 1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in air transport business in Japan.

2. Permission of the Minister of Land, Infrastructure, Transport and Tourism for conducting air transport business 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 the voting rights are held by the natural persons or entities referred to in subparagraph (a), (b) or (c).

In the event an air carrier falls into 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.

3. Japanese air carriers or the companies having substantial control over the air carriers, such as holding companies, may reject the request from a natural person or an entity set forth in subparagraphs 2(a) through (c), who owns equity investments in such air carriers or companies, to enter its name and address in the register of shareholders, in the event such air carriers or companies fall into natural persons or entities referred to in subparagraph 2(d) by accepting such request.

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

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

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

13 Sector: Transport

Sub-Sector: Air Transport

Industry Classification: JSIC 4600 Head offices primarily engaged in managerial operations

JSIC 4621 Aircraft service, except air transport

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Prohibition of Performance Requirements (Article 5)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Civil Aeronautics Law (Law No. 231 of 1952), Chapters 7 and 8

Description: 1. The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in aerial work business in Japan.

2. 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 a person conducting aerial work business falls into 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.

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

14 Sector: Transport

Sub-Sector: Air Transport (Registration of Aircraft in the National Register)

Industry Classification:

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Prohibition of Performance Requirements (Article 5)

Level of Government: Central Government

Measures: Civil Aeronautics Law (Law No. 231 of 1952), Chapter 2

Description: 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.

15 Sector: Transport

Sub-Sector: Freight Forwarding Business
(excluding freight forwarding
business using air transportation)

Industry Classification: JSIC 4441 Collect-and-deliver
freight transport

JSIC 4821 Deliver freight
transport, except
collect-and-deliver
freight transport

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Most-Favored-Nation Treatment
(Paragraph 3 of Article 2)

Prohibition of Performance
Requirements (Article 5)

Level of Government: Central Government

Measures: Freight Forwarding Business Law (Law
No. 82 of 1989), Chapters 2 through 4

Enforcement Regulation of Freight
Forwarding Business Law (Ministerial
Ordinance of the Ministry of
Transport No. 20 of 1990)

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

(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).

16 Sector: Transport

Sub-Sector: Freight Forwarding Business (only freight forwarding business using air transportation)

Industry Classification: JSIC 4441 Collect-and-deliver freight transport

JSIC 4821 Deliver freight transport, except collect-and-deliver freight transport

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Most-Favored-Nation Treatment (Paragraph 3 of Article 2)

Prohibition of Performance Requirements (Article 5)

Level of Government: Central Government

Measures: Freight Forwarding Business Law (Law No. 82 of 1989), Chapters 2 through 4

Enforcement Regulation of Freight Forwarding Business Law (Ministerial Ordinance of the Ministry of Transport No. 20 of 1990)

Description: 1. The following natural persons or entities may not conduct freight forwarding business using air transportation between points within Japan:

- (a) a natural person who does not have Japanese nationality;
- (b) a foreign country, or 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 subparagraphs 1(a) through (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 business using international air transportation. Such registration shall be made, or such permission or approval shall be granted, on the basis of reciprocity.

17 Sector: Transport

Sub-Sector: Railway Transport

Industry Classification: JSIC 421 Railway transport
JSIC 4851 Railway facilities services

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in railway transport industry in Japan. The manufacture of vehicles, parts and components for the railway transport industry is not included in railway transport industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

18 Sector: Transport

Sub-Sector: Road Passenger Transport

Industry Classification: JSIC 4311 Common omnibus operators

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in omnibus industry in Japan. The manufacture of vehicles, parts and components for omnibus industry is not included in omnibus industry. Therefore, prior notification under the Foreign Exchange and Foreign Trade Law is not required for the investments in the manufacture of these products.

19 Sector: Transport

Sub-Sector: Water Transport

Industry Classification: JSIC 452 Coastwise transport
JSIC 453 Inland water transport
JSIC 4542 Coastwise ship leasing

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27
Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Description: The prior notification requirement under the Foreign Exchange and Foreign Trade Law applies to foreign investors who intend to make investments in water transport industry in Japan. For greater certainty, "water transport industry" refers to oceangoing/seagoing transport, coastwise transport (i.e. maritime transport between ports within 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.

21 Sector: Water Supply and Waterworks

Sub-Sector:

Industry Classification: JSIC 3611 Water for end users,
except industrial users

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Level of Government: Central Government

Measures: Foreign Exchange and Foreign Trade
Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261 of
1980), Article 3

Description: The prior notification requirement
under the Foreign Exchange and
Foreign Trade Law applies to foreign
investors who intend to make
investments in water supply and
waterworks industry in Japan.

Schedule of the Republic of Uzbekistan

Sector: All Sectors

Sub-Sector:

Industry
Classification:

Type of
Reservation: Prohibition of Performance
Requirements (Article 5)

Level of
Government: Central Government

Measures: The procedure of fulfillment by
economic entities obligatory sale of
earnings in foreign currency
(approved by the Resolution of the
Cabinet of Ministers of the Republic
of Uzbekistan dated 29/06/2000,
reg.No245)

Description: 1. The Republic of Uzbekistan
reserves the right to maintain the
following measures:

- (a) 50 percent of foreign exchange
earnings derived from the sale
of goods and services on export
is liable to obligatory sale to
authorized banks; and
- (b) Total foreign exchange earnings
inflow from export of ginned
cotton is liable to obligatory
sale to the Central Bank of the
Republic of Uzbekistan.

2. Notwithstanding subparagraph
1(a) and (b) above:

- (a) the obligatory sale of foreign
exchange earnings is exempted in
accordance with paragraph 3 of
the Resolution of the Cabinet of
Ministers of the Republic of
Uzbekistan dated 29/06/2000,
reg.No245; and

(b) foreign exchange earnings liable to obligatory sale are reduced in accordance with paragraph 4 of the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 29/06/2000, reg.No245

Annex II
Reservations for Measures referred to
in paragraph 2 of Article 6

1. The Schedule of a Contracting Party sets out, pursuant to paragraph 2 of Article 6, the reservations taken by that Contracting Party with respect to specific sectors, sub-sectors or activities for which it may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

- (a) Paragraph 1 of Article 2 (National Treatment);
- (b) Paragraph 3 of Article 2 (Most-Favored-Nation Treatment); or
- (c) Article 5 (Prohibition of Performance Requirements).

2. Each reservation sets out the following elements:

- (a) "Sector" refers to the general sector in which the reservation is taken;
- (b) "Sub-Sector" refers to the specific sector in which the reservation is taken;
- (c) "Industry Classification" refers, where applicable, only for transparency purposes, to the activity covered by the reservation according to domestic or international industry classification codes;
- (d) "Type of Reservation" specifies the obligations referred to in paragraph 1 for which the reservation is taken;
- (e) "Description" sets out the scope of the sector, sub-sector or activities covered by the reservation; and
- (f) "Existing Measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. The "Description" element shall prevail over all other elements.

4. For the purposes of this Annex II, the term "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007.

Schedule of Japan

- 1 Sector: All Sectors
- Sub-Sector:
- Industry
Classification:
- Type of
Reservation: National Treatment
(Paragraph 1 of Article 2)
- Prohibition of Performance
Requirements (Article 5)
- Description: When transferring or disposing of its
equity interests in, or the assets
of, a state enterprise or a
governmental entity, Japan reserves
the right to:
- (a) prohibit or impose limitations
on the ownership of such
interests or assets by investors
of the Republic of Uzbekistan or
their investments;
 - (b) impose limitations on the
ability of investors of the
Republic of Uzbekistan or their
investments as owners of such
interests or assets to control
any resulting enterprise; or
 - (c) adopt or maintain any measure
relating to the nationality of
executives, managers or members
of the board of directors of any
resulting enterprise.
- Existing
Measures:

2 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Prohibition of Performance
Requirements (Article 5)

Description: In the event where the supply of telegraph services, postal services and betting and gambling services, manufacture of tobacco products, manufacture of Bank of Japan notes, minting and sale of coinage in Japan, which are restricted to designated enterprises or governmental entities, are liberalized to those other than the designated enterprises or governmental entities, or in the event where such designated enterprises or governmental entities no longer operate on a non-commercial basis, Japan reserves the right to adopt or maintain any measure relating to those activities.

Existing
Measures:

3 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment
(Paragraph 1 of Article 2)

Most-Favored-Nation Treatment
(Paragraph 3 of Article 2)

Description: National Treatment and Most-Favored-
Nation Treatment may not be accorded
to investors of the Republic of
Uzbekistan and their investments with
respect to subsidies.

Existing
Measures:

4 Sector: Aerospace Industry

Sub-Sector: Aircraft Industry

Space Industry

Industry
Classification:

Type of
Reservation: National Treatment
(Paragraph 1 of Article 2)

Prohibition of Performance
Requirements (Article 5)

Description: Japan reserves the right to adopt or
maintain any measure relating to
investment in aircraft industry and
space industry.

Existing
Measures: Foreign Exchange and Foreign Trade
Law (Law No. 228 of 1949), Articles
27 and 30

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261 of
1980), Articles 3 and 5

6 Sector: Energy

Sub-Sector: Electricity Utility Industry
Gas Utility Industry
Nuclear Energy Industry

Industry
Classification:

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Prohibition of Performance
Requirements (Article 5)

Description: Japan reserves the right to adopt or
maintain any measure relating to
investment in the energy industry
listed in the "Sub-Sector" element.

Existing Measures: Foreign Exchange and Foreign Trade
Law (Law No. 228 of 1949), Articles
27 and 30

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261 of
1980), Articles 3 and 5

7 Sector: Fisheries

Sub-Sector: Fisheries within the Territorial Sea, Internal Waters, Exclusive Economic Zone and Continental Shelf

Industry Classification:

| | |
|-----------|-------------------------------------|
| JSIC 031 | Marine fisheries |
| JSIC 032 | Inland water fisheries |
| JSIC 041 | Marine aquaculture |
| JSIC 042 | Inland water aquaculture |
| JSIC 8093 | Recreational fishing guide business |

Type of Reservation:

National Treatment
(Paragraph 1 of Article 2)

Most-Favored-Nation Treatment
(Paragraph 3 of Article 2)

Prohibition of Performance Requirements (Article 5)

Description: Japan reserves the right to adopt or maintain any measure relating to investments in fisheries in the territorial sea, internal waters, exclusive economic zone and continental shelf of Japan.

For the purposes of this reservation, the term "fisheries" means the work of taking and cultivation of aquatic resources, including the following fisheries related activities:

- (a) investigation of aquatic resources without taking such resources;
- (b) luring of aquatic resources;
- (c) preservation and processing of fish catches;
- (d) transportation of fish catches and fish products; and
- (e) provision of supplies to other vessels used for fisheries.

Existing
Measures:

Foreign Exchange and Foreign Trade
Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct
Investment (Cabinet Order No. 261 of
1980), Article 3

Law for Regulation of Fishing
Operation by Foreign Nationals (Law
No. 60 of 1967), Articles 3, 4 and 6

Law concerning the Exercise of
Sovereign Rights concerning Fisheries
in the Exclusive Economic Zones (Law
No. 76 of 1996), Articles 4, 5, 7, 8,
9, 10, 11, 12 and 14

8 Sector: Information and Communications

Sub-Sector: Broadcasting Industry

Industry Classification: JSIC 380 Establishments engaged in administrative or ancillary economic activities

JSIC 381 Public broadcasting, except cablecasting

JSIC 382 Private-sector broadcasting, except cablecasting

JSIC 383 Cablecasting

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Prohibition of Performance Requirements (Article 5)

Description: Japan reserves the right to adopt or maintain any measure relating to investments in broadcasting industry.

Existing Measures: Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Article 27

Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Article 3

Radio Law (Law No. 131 of 1950), Article 5

Broadcast Law (Law No. 132 of 1950), Articles 52-8, 52-13, 52-30 and 52-32

9 Sector: Land Transaction

Sub-Sector:

Industry
Classification:

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Most-Favored-Nation Treatment
(Paragraph 3 of Article 2)

Description: With respect to the acquisition or lease of land properties in Japan, prohibitions or restrictions may be imposed by Cabinet Order on foreign nationals or legal persons, where Japanese nationals or legal persons are placed under identical or similar prohibitions or restrictions in the foreign country.

Existing Measures: Alien Land Law (Law No. 42 of 1925), Article 1

10 Sector: Public Law Enforcement and
Correctional Services and Social
Services

Sub-Sector:

Industry
Classification:

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Most-Favored-Nation Treatment
(Paragraph 3 of Article 2)

Prohibition of Performance
Requirements (Article 5)

Description: Japan reserves the right to adopt or
maintain any measure relating to
investments in public law enforcement
and correctional services, and in
social services such as income
security or insurance, social
security or insurance, social
welfare, primary and secondary
education, public training, health
and child care.

Existing
Measures:

Schedule of the Republic of Uzbekistan

| | | |
|---|--------------------------|---|
| 1 | Sector: | Mass Media |
| | Sub-Sector: | Establishment and ownership of mass media |
| | Industry Classification: | |
| | Type of Reservation: | National Treatment (Paragraph 1 of Article 2) |
| | Description: | The Republic of Uzbekistan reserves the right to adopt or maintain any measure relating to establishment and ownership of mass media. |
| | Existing Measures: | The law of the Republic of Uzbekistan "On mass media" dated 15/01/2007 reg.NoLRU-78 |

2 Sector: Finance

 Sub-Sector: Banking

 Industry
 Classification:

 Type of National Treatment
 Reservation: (Paragraph 1 of Article 2)

 Prohibition of Performance
 Requirements (Article 5)

 Description: 1. With regards to National
 Treatment (paragraph 1 of Article 2),
 the Republic of Uzbekistan reserves
 the right to adopt or maintain any
 measure relating to investments in
 banking.

 2. With regards to Performance
 Requirements (Article 5), the
 Republic of Uzbekistan reserves the
 right to adopt or maintain any
 measure relating to the appointment
 of chief accountant, deputy chairman
 of the Board and, in banks having
 more than one deputy chairman of the
 Board, first deputy chairman of the
 Board.

 Existing Law of the Republic of Uzbekistan "On
 Measures: banks and banking" dated 25/04/1996
 No216-I, "Regulations on registration
 and licensing of banks" (reg. No630
 dated 11/02/1999)

3 Sector: Fuel and energy

Sub-Sector: Transportation of oil, oil products and gas by pipeline

Production and transportation of electric and thermal power

Carrying out of works under the PSA (production - sharing agreement)

Industry Classification:

Type of Reservation: National Treatment (Paragraph 1 of Article 2)

Prohibition of Performance Requirements (Article 5)

Description: 1. With regards to National Treatment (paragraph 1 of Article 2), the Republic of Uzbekistan reserves the right to adopt or maintain any measure relating to investments in fuel and energy.

2. With regards to Performance Requirements (Article 5), the Republic of Uzbekistan reserves the right to adopt or maintain any measure relating to the employment of a given number or percentage of citizens of the Republic of Uzbekistan.

Existing Measures: The laws of the Republic of Uzbekistan "On natural monopolies" dated 24/4/1997 No398 - I and "On production sharing agreements" dated 7/12/2001, No312-II

4 Sector: Land property right

Sub-Sector:

Industry
Classification:

Type of Reservation: National Treatment
(Paragraph 1 of Article 2)

Description: The Republic of Uzbekistan reserves the right to adopt or maintain any measure relating to Land property right.

Existing Measures: Land Code of the Republic of Uzbekistan dated 30/04/1998, No598 - I

5 Sector: Tourism

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment
(Paragraph 1 of Article 2)

Description: The Republic of Uzbekistan reserves
the right to adopt or maintain any
measure relating to investments in
tourism.

Existing
Measures: Law of the Republic of Uzbekistan "On
tourism" dated 30/04/1998, No598 - I
(Article 8)