

## **GATS 2000**

### **REQUEST FROM THE EC AND ITS MEMBER STATES (HEREAFTER EC)**

#### **TO**

#### **JAPAN**

#### **GENERAL REMARKS**

At the WTO Ministerial Conference in Doha in November 2001, Ministers agreed that initial requests for specific commitments should be submitted by 30 June 2002.

In line with this decision, and committed to the objectives and principles stated in the GATS, in particular Article IV and XIX GATS, as well as the negotiating guidelines agreed by the Council for Trade in Services on 29 March 2001, the EC encourages Japan to participate actively in the negotiations.

The EC consider that the progressive liberalisation of services is of benefit for all members, including developing and least developed countries. The EC recognises the importance of liberalisation being underpinned by domestic regulatory frameworks designed to ensure the achievement of public policy objectives.

This request covers horizontal commitments and the following service sectors:

- Professional services
- Business services (other than Professional services)
- Postal and courier services
- Telecommunication services
- Construction and related engineering services
- Distribution services
- Environmental services
- Financial services
- News agency services
- Transport services
- Energy services

## **ANNEX 2 FACILITATING AIR TRANSPORT SERVICES**

### **Ground-handling Services**

Efficient ground-handling is essential to the proper functioning of air transport and competition between operators in this area ensures that proper use is made of air transport infrastructure. It helps reduce the operating costs of airlines and improves the quality of service for airport users.

For specialised groundhandling suppliers the following activities are requested:

Ground Administration – supervision and administration at the airport (CPC 7461);  
Passenger Handling – assisting arriving, departing and transfer passengers (CPC 7461);  
Baggage Handling – handling baggage in the sorting area (CPC 7461);  
Freight and Mail Handling – physical handling of freight and mail, dealing with security and customs procedures (CPC 74110 (container handling services) and 74190 (other cargo handling services));  
Ramp Handling – marshalling and moving the aircraft, loading and unloading of aircraft, transport of passengers, freight, supplies (CPC 7469).  
Aircraft Services – cleaning the aircraft, heating and cooling, removal of snow and ice (CPC 7469);  
Fuel and Oil Handling – organisation and provision of fuel and oil;  
Aircraft Maintenance – covered specifically by the Annex as above;  
Flight Operations and Crew Administration – preparation of the flight, inflight and post-flight assistance, crew administration;  
Surface Transport – organisation and execution of transport within airport – except to and from aircraft;  
Catering Services (CPC 6423).addressed under the EC request on tourism and travel related services

### **Airport management services**

Airport management services constitute the core activities of airport services providers and cover: Airport operation services (excl. cargo handling), including passenger air terminal services and ground services on air fields, including runway operating services, on a fee or contract CPC 74610. Activities are also related to “other management consulting services” (CPC 86509) and activities separately specified under “other management services not elsewhere classified”(CPC 86609). A commitment will allow services suppliers to take an equity stake in - and engage in the overall operation and management of - airports when these are open for investments from private operators. Thereby it will bind existing common practices in the sector.

# ENERGY SERVICES

## EC REQUEST TO JAPAN

This request includes services that are listed under the negotiating proposal of the EU (S/CSS/W/60). The work on the classification of these services is still underway. For this reason, some activities therefore lacks reference to CPC.

The EC wishes to underlines the significant contribution of an appropriate use of energy for the promotion of sustainable development.

The EC requests that this area is committed as follows:

### **A. SERVICES RELATED TO EXPLORATION AND PRODUCTION**

#### **CPC 883: Services incidental to mining**

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

#### **CPC 8675: Related scientific and technical consulting services**

**EC Request:**

- Mode 3 and 4: Eliminate the exclusion for services related to petroleum and gas.

#### **CPC 511 and CPC 513: Construction and related engineering services**

**EC Request:**

- Mode 3 and 4: Eliminate the exclusion for services related to mining.
- Mode 3: NT – Japan’s schedule reads “None except as indicated in horizontal commitments”. **EC Request:** Please refer to the horizontal section of the EC Request in this respect.

### **B. SERVICES RELATED TO THE CONSTRUCTION OF ENERGY FACILITIES**

#### **B.1 Construction of energy facilities**

#### **CPC 513: For constructions for mining and manufacturing**

**EC Request:**

- Mode 3 and 4: Eliminate the exclusion for services related to mining.
- Mode 3: NT – Japan’s schedule reads “None except as indicated in horizontal commitments”. **EC Request:** Please refer to the horizontal section of the EC Request in this respect.

## **B.2 Installation and assembly work**

### **CPC 516: Installation and assembly work**

#### **EC Request:**

- Mode 3 and 4: Eliminate the exclusion for services related to mining.
- Mode 3: NT – Japan’s schedule reads “None except as indicated in horizontal commitments”. **EC Request:** Please refer to the horizontal section of the EC Request in this respect.

## **C. SERVICES RELATED TO NETWORKS**

### **C.1 Operation of transportation/transmission and distribution facilities**

#### **Services incidental to energy distribution (including operation of transmission/distribution of electricity)**

This sub-sector is not committed. **EC Request:**

- Modes 3: Take commitments for operation of networks not part of the integrated system.
- Mode 4: Commit as referred in the section "Horizontal commitments".

### **CPC 71310: Transportation of petroleum and natural gas**

This sub-sector is not committed. **EC Request:**

- Modes 3: Take commitments for operation of networks not part of the integrated system.
- Mode 4: Commit as referred in the section "Horizontal commitments".

## **D. STORAGE SERVICES**

### **CPC 74220: Bulk storage services of liquids or gases**

This sub-sector is not committed. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

## **E. SERVICES FOR THE SUPPLY OF ENERGY**

### **E.1 Wholesale of energy products**

Wholesale trade services of electricity

#### **EC Request:**

- Modes 3: Take full commitments, i.e. schedule “none”
- Mode 4: Commit as referred in the section "Horizontal commitments".

### **E.2 Retail Sale of energy products**

## **Retail sale trade services of electricity**

### **EC Request:**

- Mode 3: Take commitments for the supply to industrial customers
- Mode 4: Commit as referred to in the section “Horizontal commitments”

## **E.3 Trading of energy products**

### **EC Request:**

- Modes 1, 2, 3: Take full commitments, i.e. schedule “none”.
- Mode 4: Commit as referred in the section "Horizontal commitments".

## **E.4 Brokering of energy products**

### **EC Request:**

- Modes 1, 2, 3: Take full commitments, i.e. schedule “none”.
- Mode 4: Commit as referred in the section "Horizontal commitments".

## **G. SERVICES RELATED TO DECOMMISSIONING**

### **EC Request:**

- Mode 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

**ANNEX 1: SCHEDULE ON MARITIME TRANSPORT SERVICES**

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>TRANSPORT SERVICES MARITIME TRANSPORT SERVICES</p> <p>International Transport (freight and passengers) CPC 7211 and 7212 less cabotage transport</p>	<p>1) (a) <u>Liner Shipping</u>: none (b) <u>Bulk, tramp, and other international shipping, including passenger transportation</u>: none</p> <p>2) None</p> <p>3) (a) Establishment of registered company for the purpose of operating a fleet under the national flag of the State of establishment: unbound (b) Other forms of commercial presence for the supply of international maritime transport services (as defined below – 2): none</p> <p>4) (a) Ships’ crews: unbound (b) Key personnel employed in relation to a commercial presence as defined under mode 3b) above: Unbound except as in horizontal section</p>	<p>1) (a) None (b) None</p> <p>2) None</p> <p>3) (a) Unbound (b) None</p> <p>4) (a) Unbound (b) Unbound except as in horizontal section</p>	<p>The following services at the port are made available to international maritime transport suppliers on reasonable and no discriminatory terms and conditions</p> <ol style="list-style-type: none"> <li>1. Pilotage</li> <li>2. Towing and tug assistance</li> <li>3. Provisioning, fuelling and watering</li> <li>4. Garbage collecting and ballast waste disposal</li> <li>5. Port Captain’s services</li> <li>6. Navigation aids</li> <li>7. Shore-based operational services essential to ship operations, including communications, water and electrical supplies</li> <li>8. Emergency repair facilities</li> <li>9. Anchorage, berth and berthing services</li> </ol>

Sector or Sub-Sector	Limitations on Market Access	Limitations on National Treatments	Additional Commitments
MARITIME AUXILIARY SERVICES Maritime Cargo Handling Services (as defined below – 4)	1) Unbound* except for – no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* except for no limitation on transshipment (board to board or via the quay) and/or on the use of on-board cargo handling equipment 2) None 3) None 4) Unbound except as in horizontal section	
Storage and warehousing Services CPC 742	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Customs Clearance Services (as defined below – 5)	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section.	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Container Station and Depot Services (as defined below – 6)	1) Unbound* 2) None 3) None** 4) Unbound except as in horizontal section	1) Unbound* 2) None 3) None 4) Unbound except as in horizontal section	
Maritime Agency Services (as defined below – 7)	1) None 2) None 3) None 4) Unbound except as in horizontal section	1) None 2) None 3) None 4) Unbound except as in horizontal section	
(Maritime) Freight Forwarding Services (as defined below - 8)	1) None 2) None 3) None 4) Unbound except as in horizontal section	1) None 2) None 3) None 4) Unbound except as in horizontal section	

\* A commitment on this mode of delivery is not feasible.

\*\* Public utility concession or licensing procedures may apply in case of occupation of the public domain.

## **NOTE TO THE SCHEDULE**

Where road, rail, inland waterways (and) (related) (auxiliary) services are not otherwise fully covered in (this) (a Member's) schedule, a multimodal transport operator shall have the ability to rent or lease trucks, railway carriages or barges, and related equipment, for the purpose of inland forwarding of cargoes, or have access to, and use of, these forms of multimodal activities on reasonable and non-discriminatory terms and conditions for the purpose of carrying out multimodal transport operations. (« Reasonable and non-discriminatory terms and conditions » means, for the purpose of (multimodal transport operations), (this additional commitment), the ability of the multimodal transport operator to arrange for the conveyance of its merchandise on a timely basis, including priority over other merchandise which has entered the port at a later date).

### **DEFINITIONS**

1. Without prejudice to the scope of activities which may be considered as « cabotage » under the relevant national legislation, this schedule does not include « maritime cabotage services », which are assumed to cover transportation of passengers or goods between a port located in ... (name of country or, for EEC, « a Member State ») and another port located in ... (name of the country or, for EEC, « the same Member State ») and traffic originating and terminating in ... the same port located in (name of country, or for the EEC, « a Member State ») provided that this traffic remains within ... (name of country or « this Member State »)'s territorial waters.

2. « Other forms of commercial presence for the supply of international maritime transport services » means the ability for international maritime transport service suppliers of other Members to undertake locally all activities which are necessary for the supply to their customers of a partially or fully integrated transport service, within which the maritime transport constitutes a substantial element. (This commitment shall however not be construed as limiting in any manner the commitments undertaken under the cross-border mode of delivery).

These activities include, but are not limited to:

(a) marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, these services being those operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;

(b) the acquisition, on their own account or on behalf of their customers (and the resale to their customers) of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of the integrated services;

(c) the preparation of documentation concerning transport documents, customs documents, or other documents related to the origin and character of the goods transported;

(d) the provision of business information by any means, including computerised information systems and electronic data interchange (subject to the provisions of the annex on telecommunications);

(e) the setting up of any business arrangements (including participation in the stock of a company) and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the horizontal commitment on movement of personnel) with any locally established shipping agency;

(f) acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. « Multimodal transport operators » means the person on whose behalf the bill of lading /multimodal transport document, or any other document evidencing a contract of multimodal carriage of goods, is issued and who is responsible for the carriage of goods pursuant to the contract of carriage.
4. « Maritime cargo handling services » means activities exercised by stevedore companies, including terminal operators, but not including the direct activities of dockers, when this workforce is organised independently of the stevedoring or terminal operator companies. The activities covered include the organisation and supervision of:
- the loading/discharging of cargo to/from a ship;
  - the lashing/unlashing of cargo;
  - the reception/delivery and safekeeping of cargoes before shipment or after discharge.
5. « Customs clearance services » (alternatively « customs house brokers' services ») means activities consisting in carrying out on behalf of another party customs formalities concerning import, export or through transport of cargoes, whether this service is the main activity of the service provider or a usual complement of its main activity.
6. « Container station and depot services » means activities consisting in storing containers, whether in port areas or inland, with a view to their stuffing/stripping, repairing and making them available for shipments.
7. « Maritime agency services » means activities consisting in representing, within a given geographic area, as an agent the business interests of one or more shipping lines or shipping companies, for the following purposes:
- marketing and sales of maritime transport and related services, from quotation to invoicing, and issuance of bills of lading on behalf of the companies, acquisition and resale of the necessary related services, preparation of documentation, and provision of business information;
  - acting on behalf of the companies organising the call of the ship or taking over cargoes when required.
8. « Freight forwarding services » means (the activity consisting of organising and monitoring shipment operations on behalf of shippers, through the acquisition of transport and related services, preparation of documentation and provision of business information).

The EC proposes that Japan's current GATS commitments are revised in accordance with this request. The EC is both seeking improved commitments and clarification of existing commitments as set out in this Request. The EC is furthermore looking for a reduction in scheduled limitations whether these are horizontal or sector specific in nature. In so doing, the EC is not seeking the dismantling of public services nor the privatisation of state owned companies.

In conformity with the objectives set out in the EC's overall approach to services negotiations (document S/CSS/W/15), the EC reiterates its commitment to promote regulatory disciplines in accordance with Article VI:4 of the GATS. The EC, however, reserves its right to address at any time to Japan specific requests concerning regulatory issues.

The EC further requests that commitments are entered in accordance with the scheduling guidelines adopted by the Council of Trade in Services on 23 March 2001 (S/L/92). In particular, for each commitment or limitation entered the EC requests:

- that the sector and sub-sector are clearly identified in accordance with the classification list in Document MTN.GNS/W/120 or other internationally recognised classification (e.g. Financial Services Annex) and corresponding CPC number. If this is not possible, the schedule should contain a sufficiently detailed definition to avoid any ambiguity as to the scope of the commitment. In that respect, the EC would like to recall the classification or list of activities proposed in its negotiating proposals with regard to postal and courier, environmental and energy services. While discussions are still ongoing, the EC would like to invite Japan to present its offer in accordance with this approach.
- that any remaining limitation on market access (thereafter "MA") or on national treatment (thereafter "NT") are clearly described and only be inscribed in the market access or national treatment columns if the measure is of a nature foreseen by Articles XVI-XVII GATS.

The EC remains available to provide any clarification and answer any question on this request. Questions can be addressed to the European Commission via the EC contact point (mailbox address: TRADE-GATS-CONTACT-POINTS@cec.eu.int), via the Delegation of the European Commission in Geneva, or directly to the European Commission (Directorate-General Trade, Unit D2 (Trade in services, including e-commerce), Brussels, B-1049, Belgium, fax 32-2-299 24 35).

*Note: The EC reserves the right to revise and/or supplement this request. For each service sector, W120 classification has been followed unless expressly indicated and CPCs refer to the Provisional CPC classification. The precise scope for each sector is without prejudice to the EC's final positions on classification issues and to the EC's classification of their existing commitments.*

# HORIZONTAL COMMITMENTS

## EC REQUEST TO JAPAN

### MODE 3

For those sectors and sub-sectors where commitments have been made, on NT, Japan has indicated «none» except as indicated in the horizontal commitments. **EC Request:** schedule «none» pursuant to the scheduling guidelines.

### MODE 4

#### **Intra-corporate transferees**

- Commitments under section (a) only cover transfers to subsidiaries and branches. **EC request:** Extend coverage to include all affiliated companies and offices.
- Commitment under section (b) are limited to certain professions. **EC request:** Extend coverage of this section to all professions included in section 1A of W/120 (except medical, dental, veterinary and other medical) plus surveyors (part of “related scientific and technical consulting in section 1F”) and merge sections (a) and (b). See also the EC’s request on professional services.
- The EC also requests that a commitment be made to allow as intra-corporate transferees without requiring an economic needs test « persons with a university degree or equivalent technical qualification who are transferring for career development purposes or to obtain training in business techniques or methods ». The maximum prior employment requirement should be one year.

#### **Contractual Service Suppliers**

- A contractual service supplier is a juridical person with no commercial presence in Japan, who has obtained a service contract in Japan which requires the presence of its employees in Japan in order to fulfil that contract. **EC request:** Take commitments for natural persons employed in the service sectors listed below and seeking temporary entry as contractual service suppliers. Such natural persons can be required to have a university degree or equivalent technical qualification – plus the appropriate professional qualifications where this is required by domestic law. The length of stay may be limited in time.

List of sectors:

1. Business Services

Legal Services  
Accounting and bookkeeping services  
Taxation services  
Architectural services  
Engineering Services  
Integrated engineering services  
Urban planning and landscape architectural services  
Computer and Related Services  
Research and Development Services  
Advertising  
Management consulting services  
Services related to management consulting  
Technical testing and analysis services  
Related scientific and technical consulting services  
Maintenance and repair of equipment  
Translation services

3. Construction and related engineering services

Site investigation work (CPC 5111)

4. Distribution Services

Wholesale trade services (CPC 622)

6. Environmental Services

All sub-sectors

7. Financial Services

Services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services

Advisory, intermediation and other auxiliary financial services on all the activities listed in the subparagraphs (v) to (xv) of the classification of the Annex on Financial Services, including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy

**Additional commitments.**

- Difficulties are experienced as a result of the length of time taken to process work permits. The EC wishes to discuss the possibility of taking additional commitments to address this issue.

*Note: Mode 4 is covered horizontally in this part for all service sectors. The sectoral requests in the following pages only refer to mode 4 when specifically related to one particular service sector.*

## PROFESSIONAL SERVICES

### EC REQUEST TO JAPAN

Japan has committed this sector only partially. The EC requests that this sector is committed as follows:

#### **A. LEGAL SERVICES (CPC 861)**

- This sub-sector is not committed for practice through lawyers qualified as Bengoshi under Japanese law. Commitments as regards consultancy on foreign law are limited to the service supplier being himself qualified and do not extend to entire practice of international public law, to third country law (additional commitments) and, i) under d), to activities concerning a legal case whose primary objective is the acquisition or loss or change of rights concerning real property in Japan or of industrial property rights, mining rights or other rights arising upon registration thereof with government agencies in Japan. **EC Request:** Extend sectoral coverage of commitments to consultancy on international public law and on law of jurisdiction where the service supplier or its personnel are qualified lawyers, and remove the limitation of activities listed i) under d).
- Cooperation with Bengoshi is required for consultancy in a legal case concerning family relations or inheritance, in which a Japanese national is involved, or in a legal case as listed i) under d). **EC Request:** Remove.
- Modes 1, 2 and 3: MA – Supply of services restricted to natural persons. **EC Request:** Remove in order to allow supply by juridical persons through a Bengoshi or a relevant qualified lawyer.
- Modes 1, 2 and 4: MA – Commercial presence required. **EC Request:** Remove in order to allow supply by non-established juridical persons through a Bengoshi or a relevant qualified lawyer.
- Modes 1 and 2: NT – Requirement of staying at least 180 days a year for lawyers other than Bengoshi. **EC Request:** Remove.
- Additional commitments: Association with Bengoshi permitted but prohibition of employing Bengoshi. **EC Request:** Remove prohibition and permit full partnership between registered foreign lawyers and Bengoshi.
- Conditions mentioned in footnotes: Prior practice requirements for obtaining recognition as “Gaikoku-HO-Jimu-Bengoshi. **EC Request:** Remove.

#### **B. ACCOUNTING, AUDITING AND BOOKKEEPING SERVICES (CPC 862)**

- Commitments only extend to services supplied by an accountant qualified as Koninkaikeishi under Japanese law. **EC Request:** Extend sectoral coverage of commitments to the entire CPC 862 removing this entry.
- Modes 1, 2 and 3: MA – Supply of services restricted to natural persons or audit corporations. **EC Request:** Remove

In addition, restrictions on advertising have been reported. The EC wishes to discuss with Japan the scope of this regulatory trade barrier and the solution to be given to this issue.

### **C. TAXATION SERVICES (CPC 863)**

- Commitments only extend to services supplied by a tax accountant qualified as Zeirishi under Japanese law. **EC Request:** Extend sectoral coverage of commitments to the entire CPC 863, removing this entry.
- Modes 1, 2 and 3: MA – Supply of services restricted to natural persons. **EC Request:** Remove.
- Modes 1, 2 and 4: MA – Commercial presence required. **EC Request:** Remove.

### **D. ARCHITECTURAL SERVICES (CPC 8671)**

- This sub-sector is not committed for the entire CPC 8671. **EC Request:** Extend sectoral coverage of commitments to the entire CPC 8671
- Modes 1 and 2: MA – Commercial presence required for some architectural services. **EC Request:** Remove.

### **E. ENGINEERING SERVICES (CPC 8672).**

### **F. INTEGRATED ENGINEERING SERVICES (CPC 8673)**

For each of these two sub-sectors [e) and f]):

- Commitments do not cover the entire CPCs 8672 and 8673, and services related to petroleum, petroleum products, gas and mineral are excluded. **EC Request:** Extend sectoral coverage of commitments to the entire CPCs 8672 and 8673
- Modes 1 and 2: MA – Commercial presence required for some services currently listed as architectural services. **EC Request:** Remove

# **BUSINESS SERVICES (OTHER THAN PROFESSIONAL SERVICES)**

## **EC REQUEST TO JAPAN**

### **B. COMPUTER AND RELATED SERVICES**

**EC Request:** Schedule commitments at the two-digit level – i.e. CPC 84.

### **C. RESEARCH AND DEVELOPMENT SERVICES**

Japan has not committed the following sub-Sectors. The EC requests that they be committed as follows for privately financed Research and Development:

**a. R&D Services on natural sciences (CPC 851)**

**c. Interdisciplinary R&D services. (CPC 853)**

For each of the above sub-sectors:

- Modes 1, 2, 3: Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4: Commit as referred to in the section "Horizontal commitments".

### **D. REAL ESTATE SERVICES**

**a. Involving own or leased property (CPC 821) and**

**b. On a fee or contract basis (CPC 822)**

For property in Japan:

- Modes 1 and 2: MA- commercial presence required. **EC Request:** Eliminate

### **F. OTHER BUSINESS SERVICES**

*NB: Requests (if any) on (h) - services incidental to mining, and (j) - services incidental to energy distribution, are covered in those sections of the request dealing with Energy Services and Construction Services.*

**d. Services related to management consulting (CPC 866)**

This sub-sector has only been partially committed. **EC request:** Extend sectoral coverage to all of CPC 866.

- Mode 3: NT – see general request for “Horizontal commitments”.

#### **e. Technical testing and analysis services (CPC 8676)**

Japan has not committed this sub-Sector. The EC requests that it be committed as follows:

- Modes 1, 2, 3: Take full commitments, i.e. schedule "none" under MA and NT.
- Mode 4: Commit as referred to in the section "Horizontal commitments".

#### **k. Placement and supply services of personnel (CPC 872)<sup>1</sup>**

This sub-sector has only been partially committed. **EC Request:** Extend sectoral coverage to all of CPC 872.

- Mode 1: MA and NT – This mode remains unbound. **EC Request:** Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 2: MA and NT – This mode is unbound for technical reasons. **EC Request:** Take full commitments, i.e. schedule « none » under MA and NT.
- Mode 3: MA – Numerical quota. **EC Request:** Eliminate.
- Mode 3: NT – see general request for Business services above.

#### **l. Security Services (CPC 87302 – 87309)**

Japan has not committed this sub-sector. The EC requests that it be committed as follows:

- Mode 3: MA - Commit with no form of establishment or equity limitation. Full NT commitment - i.e. schedule "none".
- Mode 4: Commit as referred to in the section "Horizontal commitments".

#### **m. Related scientific and technical consulting services (CPC 8675)**

This sub-sector has only been partially committed. **EC Request:** Extend sectoral coverage to all of CPC 8675.

- Modes 1 and 2: MA – Commercial presence requirement in certain circumstances for CPC 86753 and 86754. EC request. Eliminate.
- Mode 3: NT – see general request for Business services above.

#### **Grounds maintenance (part of CPC 88110) and**

#### **Washing and Cleaning Services (CPC 97011-97014)**

Japan has not committed these two sub-sectors. **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none” under MA and NT
- Mode 4: Commit as referred to in the section “Horizontal commitments”

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<sup>1</sup> Main concern in this sector is to ensure the elimination of any restriction on the job categories which can be handled by either recruitment or interim employment agencies.

**n. Maintenance and Repair of Equipment (not including transport equipment)  
(CPC 633 + 8861-8866)**

- Mode 1: MA and NT – This mode is unbound for technical reasons. **EC Request:** Clarify.
- Mode 3: NT – see general request for Business services above.

**s. Convention Services (part of CPC 87909)**

- Mode 1: MA and NT – This mode is unbound for technical reasons. **EC Request:** Clarify.
- Mode 3: NT – see general request for Business services above.

# POSTAL AND COURIER SERVICES

## EC REQUEST TO JAPAN

Japan has not undertaken commitments in postal and courier services. This request is based on the EC proposal for the classification of postal and courier services. While discussions on classification in this sector are still ongoing, the EC would like to invite Japan to present its offer in accordance with this proposal, without prejudice to the outcome of the discussion on the classification of postal and courier services:

### **SERVICES RELATING TO THE HANDLING<sup>2</sup> OF POSTAL ITEMS<sup>3</sup>, WHETHER FOR DOMESTIC OR FOREIGN DESTINATIONS**

**A. Handling of addressed written communications on any kind of physical medium<sup>4</sup>, including:**

- Hybrid mail services

- Direct mail

**B. Handling of addressed parcels and packages<sup>5</sup>**

**C. Handling of addressed press products<sup>6</sup>**

**D. Handling of items referred to in A. to C. above as registered or insured mail.**

**E. Express delivery services<sup>7</sup> for items referred to in A. to C. above.**

**F. Handling of non-addressed items.**

**G. Document exchange.**

**H. Other services not elsewhere specified.**

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<sup>2</sup> The term "handling" should be taken to include clearance, sorting, transport and delivery.

<sup>3</sup> "Postal item" refers to items handled by any type of commercial operator, whether public or private.

<sup>4</sup> E.g. letter, postcards.

<sup>5</sup> Books, catalogues are included hereunder.

<sup>6</sup> Journals, newspapers, periodicals.

<sup>7</sup> Express delivery services may include, in addition to greater speed and reliability, value added elements such as collection from point of origin, personal delivery to addressee, tracing and tracking, possibility of changing the destination and addressee in transit, confirmation of receipt.

For sub-sectors B., C., E., F. and G.:

- Modes 1, 2 and 3: Undertake full commitments for market access and national treatment.
- Mode 4: Commit as referred to in the section « Horizontal commitments ».

For sub-sectors A. and D.:

- Modes 1, 2 and 3: Undertake commitments for market access and national treatment.
- Mode 4: Commit as referred to in the section « Horizontal commitments ».

# TELECOMMUNICATION SERVICES

## EC REQUEST TO JAPAN

Japan has only partially committed this Sector. The EC requests that this Sector is committed as follows:

### All Modes

There are no commitments in telegraph services. **EC Request:** Make full commitments in this sub-sectors, i.e. schedule “None”.

### Mode 3 – Commercial Presence

- There are equity ceilings for foreign participation in NTT and KDD, **EC Request:** remove these ceilings.
- Board members and auditors in NTT and KDD must have Japanese nationality, **EC Request:** remove this restriction.
- The schedule refers to horizontal restrictions on national treatment for value-added services. **EC Request:** remove this unnecessary restriction (already taken into account by the horizontal commitments).
- Operators are required to employ an adequate number of specially trained engineers. **EC Request:** explain the rationale of such a requirement and how the regulator determines what the adequate number of specifically trained engineers is.
- Type I operators are still required to have their tariffs approved while Type II operators simply notify them, they also have heavier reporting requirements. **EC Request:** explain the rationale for such obligations.

### Additional Commitments

There is a restriction on the Reference Paper concerning interconnection obligations (in existing commitments paragraph 2.2 of the Reference Paper only applies to major suppliers with control over essential facilities). **EC Request:** remove this restriction.

# CONSTRUCTION AND RELATED ENGINEERING SERVICES

## EC REQUEST TO JAPAN

### GENERAL

Japan has committed this Sector only partially. The EC requests that this Sector be committed as follows:

#### **All sub-sectors (CPC 511 to CPC 518)**

- Commitments in this Sector exclude services related to mining. **EC Request:** Eliminate this exclusion.
- Mode 3: NT – Japan’s schedule reads “None except as indicated in horizontal commitments”. **EC Request:** Please refer to the horizontal section of the EC Request in this respect.

*Note: "MA" refers to commitments scheduled under the "Market Access" column. "NT" under the "National treatment" column.*

## **DISTRIBUTION SERVICES**

### **EC REQUEST TO JAPAN**

Japan has only partially committed this Sector. The EC requests that this Sector is committed as follows:

#### **All sub-sectors**

The distribution of the following goods is not committed:

- petroleum and petroleum products
- rice, salt, alcoholic beverages, tobacco
- substances and ingredients
- fresh goods sold at Public Wholesale Markets

**EC Request** for these goods:

- Modes 1, 2, 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

#### **C. RETAILING SERVICES (CPC 631+632, 6111+6113+6121+613)**

The distribution of motor fuel (CPC 613) is not committed. **EC Request:**

- Modes 1, 2, 3: Take full commitments, i.e. schedule "none".
- Mode 4: Commit as referred in the section "Horizontal commitments".

# ENVIRONMENTAL SERVICES

## EC REQUEST TO JAPAN

This request is based on the EC proposal for the classification of environmental services. While discussions on classification in this sector are still ongoing, the EC would like to invited Japan to present its offer in accordance with this proposal, without prejudice to the outcome of the discussion on the classification of environmental services:

### **A. WATER FOR HUMAN USE & WASTEWATER MANAGEMENT**

**Water collection, purification and distribution services through mains, except steam and hot water.**

This sub-sector only concerns the distribution of water ‘through mains’ (i.e. urban sewage systems). This excludes any cross-border transportation either by pipeline or by any other means of transport, nor does it imply access to water resources.

Extend sectoral coverage to include the above services.

- Mode 3: Take full commitments under MA and NT.
- Mode 4: Commit as referred to in the section “Horizontal commitments”

**Waste water services (CPC 9401)**

No request.

### **B. SOLID/HAZARDOUS WASTE MANAGEMENT**

**Refuse disposal services (CPC 94020)**

**Mode 3**

Market access: Remove limitation of number of licences for service suppliers of waste oil disposal at sea from vessels.

## FINANCIAL SERVICES

### EC REQUEST TO JAPAN

#### INSURANCE

- Modes 1 and 2: MA - Concerning compulsory automobile liability insurance, application of the pooling agreement and reinsurance scheme with the central government prohibits companies from arranging own reinsurance. **EC Request:** eliminate these restrictions.
- Modes 1, 2 and 3: MA- 60% Government coverage of third party motor insurance. **EC Request:** Remove this restriction.
- Modes 1,2 and 3: MA- Insurance intermediaries are not allowed to offer insurance contracts to insurers not licensed in Japan. **EC Request:** Remove this restriction.
- Modes 1 and 2: Concerning household earthquake insurance, existence of an exclusivity given to the Earthquake Reinsurance Company and reinsurance scheme with the central government. **EC Request:** Open to competition.
- Modes 1 and 2: MA and NT- No commitment has been taken on cross-border insurance of large non-MAT risks. **EC Request:** Take commitments on insurance of large risks, based on a definition to be determined in negotiations and accompanied by appropriate prudential regulations adopted by the regulatory authorities of the host country and protecting policy-holders, avoiding discrimination between operators, in line with the principles agreed in the OECD Framework for Insurance Market Liberalisation.
- Mode 3: MA – The scope of “use and file” system is limited. **EC Request:** Extend this system to all commercial and personal lines.
- Mode 3: The Postal Life Insurance Bureau benefits from less stringent regulatory and supervisory requirements (e.g. no contribution to the policy holder fund) than private sector companies involved similar insurance business. **EC Request:** Take into account foreign parents’ assets for solvency margin requirements.
- Mode 3: Reporting requirements of auto insurance data to Japan Auto Insurance Rating Organisation. **EC Request:** Eliminate these requirements.

#### B. BANKING AND OTHER FINANCIAL SERVICES

- Mode 3: Branches of foreign banks are not allowed to combine banking and securities services, as is appropriate for universal banks. **EC Request:** Allow universal banking.

- Mode 3: Outsourcing of back-office services to separate service companies is limited. The Financial Supervisory Agency’s definition of “core banking functions” that cannot be outsourced is wider than under the definition used in the EC and the US. **EC Request:** Remove this limitation.
- Mode 3: Restrictions for foreign bank branches on the global offering of certain Yen products, as well as on integrated risk management through the creation of so-called “integrated group companies”. **EC Request:** Remove those restrictions.
- Mode 3: Discrimination by Japanese public institutions, such as Postal Life Insurance Bureau, Postal Savings Bureau or the Tax-qualified Pension Plan, against asset management subsidiaries of foreign financial institutions. **EC Request:** Clarify why this limitation has not been scheduled.
- Mode 3: Branches of foreign banks are prohibited from doing Trust Bank business. **EC Request:** Clarify why this limitation has not been scheduled.
- Mode 3: Tax regime (e.g. capital gains tax) is more favourable for unit trusts style funds than for open-ended investment companies (OEIC) style funds. **EC Request:** Ensure equal tax treatment between unit trusts and OEICs style funds.

## **NEWS AGENCY SERVICES**

### **EC REQUEST TO JAPAN**

Japan has undertaken commitments in this sector (CPC 962).

#### **EC Request (CPC 962):**

National treatment:

Mode 3: NT – Japan has indicated « none » except as indicated in the horizontal commitments ». **EC Request:** schedule « none ».

# TRANSPORT SERVICES

## EC REQUEST TO JAPAN

### **A. MARITIME TRANSPORT**

Japan has specific commitments on maritime transport. Restrictions relate in particular to international maritime transport (unbound in all modes), auxiliary services such as cargo-handling, customs clearance and container stations are not committed.

**EC Request:** Take commitments in accordance with the attached model schedule (Annex 1). In particular for the following areas:

- 1) **International transport** (freight and passengers) CPC 7211 and 7212
- 2) **Additional commitments** for access to and use of ports facilities
- 3) **Maritime auxiliary services** (maritime cargo handling, storage and warehouse services, customs clearance services, container station and depot services, maritime agency services)
- 4) **Multimodal activities:** for inland forwarding of cargoes - commit the ability to rent or lease - or to have access to and use of multimodal facilities (as specified in the note to the schedule).
- 5) **Definitions** – commit definitions as specified in the model schedule.

The EC also request the following additional maritime commitments from Japan:

- 6) **Equipment.** To facilitate planning of their businesses operators should be allowed to reposition their own equipment, such as empty containers, between ports of Japan, when it is not carried against payment. This is requested to be committed in a new footnote:

*“9. Movement of own equipment. International maritime transport suppliers can move/reposition their own equipment (i.e. empty containers, flatbeds etc.) on their own vessels between ports of Japan.”*

7) **International cargo.** With the development of containerisation and high frequency networking services and with the ever-larger vessels having to limit direct port calls for physical or economic reasons, the feeding of cargoes between main ports and way ports is becoming more important as an integral part of efficient international maritime transport. An international maritime transport supplier should be allowed to operate feeder services for its international cargo between ports of Japan. This is requested to be committed in a new footnote:

*"10. International maritime transport suppliers can operate vessels of any flag for the purposes of pre- and onward carriage of the international cargo between ports of Japan."*

In this context Japan may wish to take the one or more of the following principles into concern:

- **Size of the port.** Only valid for international cargo relayed between national ports handling more than [25.000 TEU] on an annual basis.
- **Binding existing ad hoc practices.** To the extent exceptions are already granted for use of foreign flagged vessels such practices could be bound to explicitly cover pre- and onward carriage of international cargo.
- **Geographical limitations.** Transport of international cargo between ports within the same prefecture [or other relevant regional entity] remains excluded.

A final request related to maritime transport is:

8) **Rental and leasing** of vessels with crew (CPC 7213, 7223).

**EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as in horizontal commitments.

## **B. INTERNAL WATERWAYS:**

Japan has no commitments for this activity.

c) **Rental and leasing of vessels with crew (CPC 7213, 7223)**

**EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **C. AIR TRANSPORT**

Japan has commitments for *maintenance and repair of aircraft and parts thereof, selling and marketing, and computer reservation systems*. The EC shall ask Japan to also consider the following areas:

### **1) Maintenance and repair of aircraft and parts thereof.**

Japan has scheduled a restriction relating to licensing

#### **EC Request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **4) Groundhandling services, as specified in the attached definitions (Annex 2).**

#### **EC Request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **5) Airport management services, as specified in the attached definitions (Annex 2).**

#### **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **F. ROAD TRANSPORT**

### **b) Freight Transportation (CPC 7123).**

Japan has specific commitments for this activity, with a restrictions related to emergency safeguard measures for licensing.

#### **EC Request:**

- Mode 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **d) Maintenance and Repair of Road Transport Equipment (CPC 6112)**

#### **EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

## **H. SERVICES AUXILIARY TO ALL MODES OF TRANSPORT**

### **b) Storage and Warehouse Services (CPC 742)**

Japan has specific commitments for this activity, with a restrictions related to certain products (petroleum and petroleum products)

#### **EC Request:**

- Modes 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”

### **c) Freight Transport Agency/Freight Forwarding Services (CPC 748) and Pre-Shipment Inspection (part of CPC 749)**

Japan has specific commitments for this activity but restricted to a maritime context.

#### **EC Request:**

- Modes 1, 2 and 3: Take full commitments, i.e. schedule “none”, under MA and NT
- Mode 4: Commit as referred in the section “Horizontal commitments”