Annex II referred to in Article 7
Sectors, sub-sectors or activities with respect to which a Contracting Party adopts or maintains non-conforming measures

1. The Schedule of a Contracting Party sets out, pursuant to paragraph 2 of Article 7, 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) Article 2 (National Treatment);
   (b) Article 3 (Most-Favored-Nation Treatment); or
   (c) Article 6 (Prohibition of Performance Requirements).

2. Each reservation sets out the following elements:

   (a) “Sector” refers to the general sector in which a reservation is taken;
   (b) “Sub-Sector” refers to the specific sector in which a reservation is taken;
   (c) “Industry Classification” refers, where applicable, to the activity covered by the reservation according to domestic industry classification codes;
   (d) “Type of Reservation” specifies the obligation referred to in paragraph 1 above for which a reservation is taken;
   (e) “Description” sets out the scope of the sector, sub-sector or activities covered by the reservation; and
   (f) “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 as set out in the Statistics Bureau, Ministry of Internal Affairs and Communications, revised on March 7, 2002.
Schedule of Japan

1 Sector: All Sectors

Sub-Sector:

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

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 Kingdom of Cambodia or their investments;

(b) impose limitations on the ability of investors of the Kingdom of Cambodia 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.

Measures:
2 Sector: All Sectors

Sub-Sector: 

Industry Classification: 

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

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.

Measures:
3  **Sector:** All Sectors  

**Sub-Sector:**  

**Industry Classification:**  

**Type of Reservation:** National Treatment (Article 2)  

**Most-Favored-Nation Treatment (Article 3)**  

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

**Measures:**
Sector: Aerospace Industry
Sub-Sector: Aircraft Industry
Space Industry

Industry Classification:

- JSIC 271 Manufacture of electrical generating, transmission, distribution and industrial apparatus
- JSIC 274 Manufacture of electronic equipment
- JSIC 275 Manufacture of electric measuring instruments
- JSIC 279 Manufacture of miscellaneous electrical machinery equipment and supplies
- JSIC 28 Manufacture of information and communication electronics equipment
- JSIC 29 Manufacture of electronic parts and devices
- JSIC 304 Manufacture of aircraft and parts
- JSIC 3059 Manufacture of miscellaneous industrial trucks and parts and accessories
- JSIC 3099 Manufacture of transportation equipment, n.e.c.
- JSIC 8711 General machine repair shops, except construction and mining machinery
- JSIC 872 Electrical machinery, apparatus, appliances and supplies repair shop
Note: The activities covered by the reservation under JSIC 271, 274, 275, 279, 28, 29, 3059, 3099, 8711 or 872 are limited to the activities related to aircraft and space industry.

<table>
<thead>
<tr>
<th>Type of Reservation</th>
<th>National Treatment (Article 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Prohibition of Performance Requirements (Article 6)</td>
</tr>
<tr>
<td>Description</td>
<td>Japan reserves the right to adopt or maintain any measure relating to investments in aircraft industry and space industry.</td>
</tr>
<tr>
<td>Measures</td>
<td>Foreign Exchange and Foreign Trade Law (Law No. 228 of 1949), Articles 27 and 30</td>
</tr>
<tr>
<td>Measures</td>
<td>Cabinet Order on Foreign Direct Investment (Cabinet Order No. 261 of 1980), Articles 3 and 5</td>
</tr>
<tr>
<td>Sector:</td>
<td>Arms and Explosives Industry</td>
</tr>
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<td>--------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>Sub-Sector:</td>
<td>Arms Industry</td>
</tr>
<tr>
<td></td>
<td>Explosives Manufacturing Industry</td>
</tr>
<tr>
<td>Industry Classification:</td>
<td>JSIC 1791 Manufacture of explosives</td>
</tr>
<tr>
<td>JSIC 271</td>
<td>Manufacture of electrical generating, transmission, distribution and industrial apparatus</td>
</tr>
<tr>
<td>JSIC 274</td>
<td>Manufacture of electronic equipment</td>
</tr>
<tr>
<td>JSIC 275</td>
<td>Manufacture of electric measuring instruments</td>
</tr>
<tr>
<td>JSIC 279</td>
<td>Manufacture of miscellaneous electrical machinery equipment and supplies</td>
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<tr>
<td>JSIC 28</td>
<td>Manufacture of information and communication electronics equipment</td>
</tr>
<tr>
<td>JSIC 29</td>
<td>Manufacture of electronic parts and devices</td>
</tr>
<tr>
<td>JSIC 303</td>
<td>Shipbuilding and repairing, and manufacture of marine engines</td>
</tr>
<tr>
<td>JSIC 3059</td>
<td>Manufacture of miscellaneous industrial trucks and parts and accessories</td>
</tr>
<tr>
<td>JSIC 3099</td>
<td>Manufacture of transportation equipment, n.e.c.</td>
</tr>
<tr>
<td>JSIC 3281</td>
<td>Manufacture of ordnance and accessories</td>
</tr>
</tbody>
</table>
JSIC 8711  General machine repair shops, except construction and mining machinery

JSIC 872  Electrical machinery, apparatus, appliances and supplies repair shop

Note: The activities covered by the reservation under JSIC 271, 274, 275, 279, 28, 29, 303, 3059, 3099, 8711 or 872 are limited to the activities related to arms industry.

Type of Reservation: National Treatment (Article 2)

Description: Japan reserves the right to adopt or maintain any measure relating to investments in arms industry and explosives manufacturing industry.

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:

| JSIC 0519   | Miscellaneous metal mining (limited to nuclear materials) |
| JSIC 2491   | Manufacture of nuclear fuel |
| JSIC 271    | Manufacture of electrical generating, transmission, distribution and industrial apparatus |
| JSIC 274    | Manufacture of electronic equipment |
| JSIC 275    | Manufacture of electric measuring instruments |
| JSIC 279    | Manufacture of miscellaneous electrical machinery equipment and supplies |
| JSIC 28     | Manufacture of information and communication electronics equipment |
| JSIC 29     | Manufacture of electronic parts and devices |
| JSIC 303    | Shipbuilding and repairing, and manufacture of marine engines |
| JSIC 3059   | Manufacture of miscellaneous industrial trucks and parts and accessories |
JSIC 3099  Manufacture of transportation equipment, n.e.c.
JSIC 331  Production, transmission and distribution of electricity
JSIC 3411  Gasworks
JSIC 3412  Gas distribution
JSIC 3413  Gas establishments (main office, office)
JSIC 8711  General machine repair shops, except construction and mining machinery
JSIC 872  Electrical machinery, apparatus, appliances and supplies repair shop

Note: The activities covered by the reservation under JSIC 271, 274, 275, 279, 28, 29, 303, 3059, 3099, 8711 or 872 are limited to the activities related to nuclear energy industry.

Type of Reservation: National Treatment (Article 2)
Description: Japan reserves the right to adopt or maintain any measure relating to investments in the energy industry listed in the "Sub-Sector" element.
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
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 8493 Recreational fishing guide business

Type of Reservation: National Treatment (Article 2)

Most-Favored-Nation Treatment (Article 3)

Prohibition of Performance Requirements (Article 6)

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 services:

(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.
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
Sector: Information and Communications

Sub-Sector: Broadcasting Industry

Industry Classification:
- JSIC 381 Public broadcasting, except cablecasting
- JSIC 382 Private sector broadcasting, except Cablecasting
- JSIC 383 Cablecasting

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

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

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 and 52-13
<table>
<thead>
<tr>
<th>Sector:</th>
<th>Land Transaction</th>
</tr>
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<tbody>
<tr>
<td>Sub-Sector:</td>
<td></td>
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<tr>
<td>Industry Classification:</td>
<td></td>
</tr>
<tr>
<td>Type of Reservation:</td>
<td>National Treatment (Article 2)</td>
</tr>
<tr>
<td>Most-Favored-Nation Treatment (Article 3)</td>
<td></td>
</tr>
<tr>
<td>Description:</td>
<td>With respect to the acquisition or lease of land properties in Japan, prohibitions or restrictions may be imposed by Cabinet Order on Cambodian nationals or legal persons, where Japanese nationals or legal persons are placed under identical or similar prohibitions or restrictions in the Kingdom of Cambodia.</td>
</tr>
<tr>
<td>Measures:</td>
<td>Alien Land Law (Law No. 42 of 1925), Article 1</td>
</tr>
</tbody>
</table>
10 Sector: Public Law Enforcement and Correctional Services and Social Services

Sub-Sector:

Industry Classification:

Type of Reservation:
National Treatment (Article 2)
Most-Favored-Nation Treatment (Article 3)
Prohibition of Performance Requirements (Article 6)

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.

Measures:
Schedule of Cambodia

1 Sector: Manufacturing (Production/processing of psychotropic substances and narcotic substances)

Sub-Sector: Production/processing of Narcotic and psychotropic substances of schedule 1, 2 and 3 of the 1961 Single Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances

Industry Classification:

Type of National Treatment (Article 2)
Reservation: Prohibition of Performance Requirements (Article 6)

Description: Manufacturing of Narcotic and Psychotropic substances of schedule 1 is prohibited in the Kingdom of Cambodia, but the manufacturing of finished products of schedule 2 and 3 could be permitted according to the needs and planning of the Ministry of Health of Cambodia.

Cambodia reserves the right to adopt or maintain any measures relating to investment in production/processing of psychotropic substances and narcotic substances.

Measures:
- Law on the controlling of Drugs (0197.01/24 1997) Article 1, Article 2, Article 3 and Article 4.
- Schedule 1, 2 and 3 of the 1961 Single Convention on Narcotic Drugs and the 1971 Convention on Psychotropic Substances
2 Sector: Manufacturing

Sub-Sector: Production of poisonous chemicals, agriculture pesticide/insecticide and other goods by using chemical substances

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Prohibition of Performance Requirements (Article 6)

Description: Cambodia reserves the right to adopt or maintain any measure relating to investments in production of poisonous chemicals, agriculture pesticide/insecticide and other goods by using chemical substances prohibited by international regulations or the World Health Organization, that affect the public health and environment.

Measures: Prakas No. 598 BRK.KSK dated 15 December 2003 issued by Ministry of Agriculture, Forestry and Fisheries
<table>
<thead>
<tr>
<th>3</th>
<th>Sector:</th>
<th>Energy</th>
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<tbody>
<tr>
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<td>Sub-Sector:</td>
<td>Processing and production of electricity power by using any waste imported from a foreign country</td>
</tr>
<tr>
<td></td>
<td>Industry Classification:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Type of Reservation:</td>
<td>National Treatment (Article 2)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prohibition of Performance Requirements (Article 6)</td>
</tr>
<tr>
<td></td>
<td>Description:</td>
<td>Cambodia reserves the right to adopt or maintain any measure relating to investments in processing and production of electricity power by using any waste imported from a foreign country.</td>
</tr>
<tr>
<td></td>
<td>Measures:</td>
<td>Sub-decree No. 36 ANKR BK dated 27 April 1999 on the solid waste management.</td>
</tr>
</tbody>
</table>
Sector: Forestry and logging

Sub-Sector: Forestry exploitation business

Industry Classification:

Type of Reservation: National Treatment (Article 2)

Description: For the purpose of ensuring the sustainable management of forests for its social, economic and environmental benefits, including conservation of biological diversity and cultural heritage, Cambodia reserves the right to adopt or maintain any measure relating to the investments in the Permanent Forest Reserves except for rubber and eucalyptus plantations.

Measures: Forestry law (Reach Kram NS/RKM/0802/016 dated 31 August 2002)