Chapter 6

COMPETITION, GOVERNMENT PROCUREMENT, TRADE FACILITATION

<Competition>

(1) Background of the Rules

The purposes of the competition-related provisions in FTAs/EPAs entered into by Japan are to (a) maximize the effects of liberalization of trade and investment by restricting anti-competitive practices, and (b) establish a common recognition of the necessity of regulating anti-competitive practices, and a cooperative framework for the regulation of anti-competitive practices, with other EPA contracting party countries. As shown in the following discussion, while with respect to purpose (a), Japan's EPAs share the concerns expressed in discussions of the WTO, with respect to purpose (b), they place greater emphasis on coordination and cooperation with other FTA/EPA contracting party countries, similar to bilateral cooperation/mutual assistance agreements [on competition policy]. In order to facilitate a better understanding of the rules on competition policy contained in the FTAs/EPAs, the following paragraphs will provide an overview of (1) the discussion on the "trade and competition policy" issue in the WTO and (2) bilateral cooperation/mutual assistance agreements.

1) "Trade and competition policy" at the WTO

Pursuant to the Singapore Ministerial Declaration of 1996, issues relating to "trade and competition policy," together with those of "trade and investment," "transparency of government procurement" and "trade facilitation" were studied and examined at WTO forums as one of the "Singapore issues". The examination of competition policy at the WTO is based on the concern that the market access conditions of imports improved as a result of trade liberalization, including tariff reductions, might be impaired by anti-competitive practices of individual global competitors. The same concern can be found, for example, in the Japan-Film case, in which the U.S.A. claimed that exportation [of photo-film] from the U.S.A. was prevented by the anti-competitive practices of FUJIFILM Corporation. The same concern underlies the EU's policy of introducing the common competition policy within the EU in parallel with the liberalization of movement of goods (i.e. elimination of intra-regional tariffs) within the EU. The discussion of "trade and competition policy" in the WTO has been suspended since the Cancun Ministerial Conference.

2) Bilateral cooperation/mutual assistance agreements

Bilateral cooperation/mutual assistance agreements have been executed between competition enforcement authorities (primarily of developed countries) since the 1990s. These agreements provide 1) negative comity (i.e. require consideration of the interest of the relevant foreign country in applying one country's domestic competition law, which might lead to domestic law not being applied), 2) positive comity (i.e. require the law enforcement authorities of countries to enforce their own laws when any anti-competitive practice is conducted within their borders but has an impact in such other country), 3) consultation and notification, and 4) information exchange and cooperation in enforcement. These provisions are needed because the purpose of bilateral cooperation/mutual assistance agreements is (1) to settle conflicts of sovereign rights caused by extraterritorial application of competition laws and (2) to avoid inconsistencies arising from the concurrent application of laws of different countries to the same set of facts, cases, etc., rather than to correct the trade-distortive effects of the anti-competitive practice. Japan has executed bilateral cooperation/mutual assistance agreements with the competition enforcement authorities of the U.S.A (1999), EU (2003) and Canada (2005). As a result of such agreements and the sharing of information pursuant thereto, these jurisdictions have observed more cases involving the simultaneous initiation of global investigations. Examples of such cases include the polyvinyl chloride (PVC) impact modifier cartel (2003) and the TFT LCD (liquid crystal [display]) cartel (2006). Discussions based on the latter case continue not only pursuant to bilateral agreements but also within multilateral frameworks such as the OECD, UNCTAD and APEC and, recently, the International Competition Network (ICN), which was established in 2001 with the enforcement authorities of interested countries as members.

(2) Overview of Legal Disciplines

1) Provisions related to competition policy in FTAs/EPAs

As mentioned above, the provisions related to competition policy contained in the FTAs/EPAs entered into by Japan are significant in pursuing both the goal of liberalizing trade, a goal consistent with the discussions at WTO forums and the objective of the FTAs/EPAs, and the goal of developing coordination and cooperation [in the competition policy area] with FTA/EPA contracting party countries, a goal typically pursued in bilateral cooperation/mutual assistance agreements. Hereinafter, keeping in mind the difference in the underlying concerns between the discussions at WTO forums and bilateral cooperation/mutual assistance agreements, we will provide an overview of the provisions related to competition policy contained in FTAs/EPAs that have been executed by Japan.

The provisions on competition policy contained in FTAs/EPAs and regional agreements can be categorized as follows: (a) one type consists of those treaties and agreements which have no substantive regulatory provisions (i.e. they create no common competition law) but provide for the manner of implementing the substantive provisions of the parties' respective competition laws so as to resolve intra-regional problems involving competition policies (e.g. NAFTA), and (b) the other type consists of those treaties or agreements which provide substantive regulatory provisions (i.e. a common competition law) specifying prohibited and restricted practices, which may be different from the relevant laws of the signatory countries. Keeping in mind that the competition-related provisions in the FTAs/EPAs entered into by Japan belong to category (a), we will analyze three different types of competition-related provisions in the economic partnership agreements that have been executed between Japan and Singapore, Mexico, Malaysia and the Philippines, respectively: (a) provisions specifying the objectives [of the agreements' section on competition] (the "Objectives Section"), (b) those providing substantive rules (the "Substantive Section"), and (c) those providing procedural rules (the "Procedural Section").

2) Japan-Singapore EPA

(a) Objectives Section

The Japan-Singapore EPA provides in item (x) of Article 1 "Objectives" of Chapter 1 "General Provisions," that one of the objectives of the EPA is "encouraging effective control of and promoting co-operation in the field of anti-competitive activities."

(b) Substantive Section

The Substantive Section is contained in the chapter on "Competition". Paragraph 1 of Article 103 "Anti-competitive Activities" of Chapter 12 "Competition" provides that "[e]ach Party shall, in accordance with its applicable laws and regulations, take measures which it considers appropriate against anti-competitive activities, in order to facilitate trade and investment flows between the Parties and the efficient functioning of its markets." The EPA adopted a framework under which the authority of the country within whose jurisdiction anti-competitive activities are conducted enforces its own competition law. In addition, paragraph 2 of the same Article provides that "[e]ach Party shall, when necessary, endeavour to review and improve or to adopt laws and regulations to effectively control anti-competitive activities". Such provision was included in part because Singapore had no domestic competition law at the time of the execution of the EPA.

(c) Procedural Section

As part of the Procedural Section, paragraph 1 of Article 104 of Chapter 12 provides that "[t]he Parties shall, in accordance with their respective laws and regulations, co-operate in the field of controlling anti-competitive activities subject to their available resources". As also contemplated in the Substantive Section, the EPA adopted a framework under which the enforcement authorities of the contracting parties enforce their respective laws [within their own jurisdiction]. In addition, paragraph 2 of the same Article provides that "[t]he sectors, details and procedures of co-operation under this Chapter shall be specified in the Implementing Agreement". The Implementing Agreement contains provisions on 1) "Notification" (Article 17 of Chapter 5 of the Implementing Agreement), 2) "Exchange of Information" (Article 18), 3) "Technical Assistance" (Article 19), 4) "Terms and Conditions on Provisions of Information" (Article 20), 5) "Use of Information in Criminal Proceedings" (Article 21) 6) "Scope" (Article 22), 7) "Review and Further Co-operation" (Article 23), 8) "Consultations" (Article 24) and 9) "Communications" (Article 25).

In part because Singapore had no domestic competition law at the time of the execution of the Japan-Singapore EPA, the "scope" of "notification" and "exchange of information" is limited to "the sectors of telecommunications, electricity and gas" (Article 22 of the Implementing Agreement). This outcome reflects a flexible approach to establishing the scope of cooperation that takes into account the diversity of the substance and development of competition laws of the other party country. It is noteworthy that the Japan-Singapore EPA includes concepts similar to those of bilateral cooperation/mutual assistance agreements between developed countries, such as (a) coordination of enforcement activities, (b) positive comity, and (c) negative comity. In addition, the exclusion of the competition chapter (Article 105) from the application of the dispute settlement procedures of the Japan-Singapore EPA is similar to exclusions contained in economic partnership agreements executed with other countries.

3) Japan-Mexico EPA

(a) Objectives Section

The Japan-Mexico EPA provides in item (d) of Article 1 "Objectives" of Chapter 1 "Objectives" that one of the objectives of the EPA is to "promote cooperation and coordination for the effective enforcement of competition laws in each Party." As an enforcement authority already existed in Mexico at the time of the execution of the EPA, it is noteworthy in comparison with other economic partnership agreements that, in addition to "cooperation," "coordination" is specified as one of the objectives.

(b) Substantive Section

Like the Japan-Singapore EPA, the Japan-Mexico EPA contains a chapter dealing specifically with competition policy issues. Such Chapter's Substantive Section sets forth, among other things, that "[e]ach Party shall, in accordance with its applicable laws and regulations, take measures which it considers appropriate against anticompetitive activities, in order to facilitate trade and investment flows between the Parties and the efficient functioning of its market." The Japan-Mexico EPA, again like the Japan-Singapore EPA, has adopted a framework under which the enforcement authorities of contracting party countries enforce their respective laws [within their own jurisdictions]. It has no provision requiring the "review, improvement or adoption of laws and regulations" for controlling anti-competitive practices. In part such a provision was not included because an enforcement authority existed in Mexico at the time of the execution of the agreement.

(c) Procedural Section

In its Procedural Section, the Japan-Mexico EPA sets forth several provisions similar to those of the Japan-Singapore EPA. Paragraph 1 of Article 132 provides that "[t]he Parties shall, in accordance with their respective laws and regulations, cooperate in the field of controlling anticompetitive activities". Paragraph 2 of the same Article provides that "[t]he details and procedures of cooperation under this Article shall be specified in an implementing agreement." This structure is similar to that of the Japan-Singapore EPA. In addition, like other [economic partnership] agreements, it is stipulated that the dispute settlement procedures of the Japan-Mexico EPA shall not apply to the competition chapter (Article 135). Unlike the Japan-Singapore EPA, the Japan-Mexico EPA specifically provides, in addition to the above-mentioned provisions, "Non-Discrimination" (Article 133) and "Procedural Fairness" (Article 134).

The Implementing Agreement contains provisions on 1) "Notification" (Article 2 of the Implementing Agreement), 2) "Cooperation in Enforcement Activities" (Article 3), 3) "Coordination of Enforcement Activities" (Article 4), 4) "Cooperation Regarding Anticompetitive Activities in the Territory of the Country of One Party that Adversely Affect the Interests of the Other Party" (Article 5), 5) "Avoidance of Conflicts over Enforcement Activities" (Article 6), 6) "Technical Cooperation" (Article 7), 7) "Transparency" (Article 8), 8) "Consultations" (Article 9), 9) "Confidentiality of Information" (Article 10) and 10) "Communications" (Article 11). Reflecting the fact that both Japan and Mexico had their respective competition laws and enforcement authorities at the time of the execution of the EPA, the Implementing Agreement has provisions for "negative comity" and "positive comity" similar to those of bilateral cooperation/mutual assistance agreements between the enforcement organizations of developed countries.

4) Japan-Malaysia EPA

(a) Objectives Section

Like the two above-mentioned EPAs, the provisions related to competition policy in the Japan-Malaysia EPA also consist of an Objectives Section, Substantive Section and Procedural Section. First, with respect to the Objectives Section, item (e) of Article 1 "Objectives" of Chapter 1 "General Provisions" provides that one of the objectives of such EPA is "to encourage effective control of and promote co-operation in the field of anti-competitive activities", which is the same wording used in the Objectives Section of the Japan-Singapore EPA.

(b) Substantive Section

As for the Substantive Section, Article 131 of Chapter 10 "Controlling Anti-competitive Activities" provides that "[e]ach Country shall, in accordance with its applicable laws and regulations, take measures which it considers appropriate against anti-competitive activities for the efficient functioning of its market" (paragraph 1), and "[e]ach Country shall, when necessary, endeavour to review and improve or adopt laws and regulations to effectively control anti-competitive activities" (paragraph 2), which are similar to the corresponding provisions of the Japan-Singapore EPA.

(c) Procedural Section

With respect to the Procedural Section, the Japan-Malaysia EPA has the same provisions as those of the Japan-Singapore EPA, stipulating that "[t]he Countries shall, in accordance with their respective laws and regulations, co-operate in the field of controlling anti-competitive activities subject to their respective available resources" (paragraph 1 of Article 132), and "[t]he details and procedures of co-operation under this Article shall be specified in the Implementing Agreement" (paragraph 2 of Article 132). The structure whereby the dispute settlement procedures provided for in the EPA shall not apply to the competition chapter (Article 133) is the same as that of the Japan-Singapore EPA and the Japan-Mexico EPA.

In addition, the Implementing Agreement, which shall provide the "details and procedures of co-operation," sets forth provisions on 1) "Transparency" (Article 12), 2) "Technical Co-operation" (Article 13), and 3) "Discussion" (Article 14). The Implementing Agreement lacks the provisions that form the foundation of bilateral cooperation/mutual assistance agreements between developed countries such as "exchange of information," "notification" and "comity", which are provided under the Implementing Agreement of the Japan-Mexico EPA, and only provides that the governments shall "review" their cooperation pursuant to the competition chapter when either country adopts new laws and regulations that control anti-competitive activities (Article 15).

5) Japan-Philippines EPA

(a) Objectives Section

Like the three above-mentioned EPAs, the provisions of the Japan-Philippines EPA related to competition policy can be categorized into an Objectives Section, Substantive Section and Procedural Section. First, with respect to the Objectives Section, item (f) of Article 1 "Objectives" of Chapter 1 "General Provisions" provides that one of the objectives of the Japan-Philippines EPA shall be to "promote competition by addressing anti-competitive activities and cooperate in the field of competition". In comparison with the Japan-Singapore EPA and the Japan-Malaysia EPA, the Japan-Philippines EPA has a provision to "promote competition by addressing anti-competitive activities" in place of the wording "to encourage effective control of...anti-competitive activities." In addition, like the Japan-Singapore EPA and Japan-Malaysia EPA, the Japan-Philippines EPA does not refer to the

"coordination for the effective enforcement of competition laws...," which is contained in the Japan-Mexico EPA.

(b) Substantive Section

With respect to the Substantive Section, the first sentence of paragraph 1 of Article 135 of Chapter 12 provides that "[e]ach Party shall, in accordance with its applicable laws and regulations, take measures which it considers appropriate to promote competition by addressing anti-competitive activities, in order to facilitate trade and investment flows between the Parties and the efficient functioning of its market." The substance of such provision is virtually the same as that of the Japan-Singapore EPA and Japan-Malaysia EPA. In addition, the provision to "review and improve or adopt laws and regulations to effectively promote competition" (paragraph 2 of Article 135) is the same as that of the two above-mentioned EPAs for which no enforcement authority existed at the time of their execution.

(c) Procedural Section

The Procedural Section is substantially similar to those of the Japan-Singapore EPA and Japan-Malaysia EPA. Paragraph 1 of Article 136 provides for cooperation "in accordance with their respective laws and regulations...subject to their respective available resources[,]" thus establishing a framework under which the enforcement authorities of the contracting parties enforce their respective laws [within their respective jurisdictions]. The EPA also leaves the details of the cooperation to the "Implementing Agreement" (paragraph 2 of Article 136) and excludes the provisions of the competition chapter from the scope of the dispute settlement procedures provided for in the EPA (Article 137), which is the approach taken in the Japan-Singapore EPA and Japan-Malaysia EPA.

Unlike the two above-mentioned EPAs, the last sentence of paragraph 1 of Article 135 provides that "[a]ny measures shall be taken in conformity with the principles of transparency, non-discrimination and procedural fairness." The "Implementing Agreement", like the Japan-Malaysia EPA, has only limited content. It only contains provisions on 1) "Technical Cooperation" (Article 13), 2) "Transparency" (Article 14) and 3) "Discussion" (Article 15), and only provides that the parties shall "review" their cooperation pursuant to the competition chapter when either country adopts new laws and regulations relating to the implementation of its competition policy (Article 16).

(3) Conclusion

To conclude our discussion of the competition [policy] provisions of the economic partnership agreements executed by Japan, we will compare such provisions with regional integration agreements of other countries. The competition policy provisions in regional integration [agreements] can be generally classified into two categories: NAFTA-type and EC-type. The NAFTA-type characteristically provide general obligations to deal with anti-competitive activities in the Substantive Section while focusing on discussion and cooperation between the competition authorities of the contracting party countries in the Procedural Section. In contrast, the Substantive Section of the EC-type requires the coordination of specific types of rules between the contracting party countries and the Procedural Section creates central enforcement agencies or similar organizations, and focuses on enforcement of rules by such agencies.

The competition policy clauses in the EPAs entered into by Japan can be considered NAFTA-type provisions. First, with respect to the Substantive Section, they only stipulate a general obligation to deal with anti-competitive activities, maintaining the framework under which the enforcement authorities of the EPA contracting party countries take measures which they consider appropriate based upon their respective laws. In addition, the Procedural Section provides that the dispute settlement procedures provided for therein shall not apply to the provisions of the competition chapter,

which is a clear distinction from law enforcement by central enforcement agencies as contemplated in the EC type provisions.

In comparison with the regional agreements of the NAFTA type, the competition provisions in the EPAs executed by Japan, except for the Japan-Mexico EPA (and, partly, the Japan-Singapore EPA), exclude items which form the core of "discussion and cooperation between the enforcement authorities" such as "exchange of information," "notification" and "comity." Such exclusion is mainly due to the fact that, aside from Mexico, the other countries had no competition law or enforcement authority at the time of the execution of the EPAs. Thus, the competition policy clauses which exclude items such as "exchange of information," "notification" and "comity" can be said to have illustrated the possibility of cooperation with countries that have no competition law or competition authority. Notwithstanding the foregoing, in the Southeast Asian countries with which Japan has executed EPAs, anti-competitive activities have become a more significant presence in the domestic markets and the enforcement of competition law against Japanese companies by the local enforcement authorities has occurred on several occasions. The challenge for the future is how to secure the effectiveness of the "discussion and cooperation between the enforcement authorities" and develop a fair competitive environment.

<Government Procurement>

(1) Background of the Rules

With respect to government procurement, which is said to represent 10% to 15% of GDP [of each country], the imposition of certain regulations has a great significance from the perspective of the free trade of goods and services. WTO agreements have acknowledged this fact by including the WTO Agreement on Government Procurement as a plurilateral agreement (for details, see Chapter 13 of Part II).

However, since only 13 countries and areas (mainly, developed countries) are signatories to the WTO Agreement on Government Procurement, the establishment of disciplines for government procurement in FTAs/EPAs is particularly significant if the other contracting party country has not entered into the WTO Agreement on Government Procurement. However, even if the other contracting party country has executed the WTO Agreement on Government Procurement, it is still meaningful because the disciplines can be strengthened through the reduction of the relevant threshold and extension of relevant entities, etc.

Unlike GATT and GATS, the WTO Agreement on Government Procurement has no provisions specifically concerning regional trade agreements. The non-discrimination treatment clause of the agreement (item (b) of paragraph 1 of Article III) provides that each party country shall provide to the products, services and suppliers of other contracting party countries, treatment no less favorable than "that accorded to products, services and suppliers of any other Party." Therefore, if a regional trade agreement between the contracting party countries of the WTO Agreement on Government Procurement promises any treatment which is more favorable than the WTO Agreement on Government Procurement with respect to the government procurement covered by the such Agreement, such favorable treatment will be bestowed to all the contracting party countries of the WTO Agreement on Government Procurement by virtue of the aforesaid non-discrimination treatment clause.

In contrast, the provisions of the above-mentioned non-discrimination treatment clause means that, even if provisions on government procurement are contained in a regional trade agreement between the contracting party countries and non-contracting party countries of the WTO Agreement on Government Procurement, the substance of such provisions will not be applied to the relationship with other contracting party countries of the WTO Agreement on Government Procurement, which essentially means that the government procurement market has not yet been subject to the regulation of the such Agreement.

(2) Overview of Legal Disciplines

Generally, when provisions on government procurement are established in a regional trade agreement, they mostly set forth that the provisions of the WTO Agreement on Government Procurement apply *mutatis mutandis*. The main issues of negotiation are national treatment, non-discrimination, fair and equitable procurement procedures, complaint filing systems, delisting of privatized entities, offsets, etc. The economic partnership agreements which have been executed by Japan provide as follows:

1) Japan-Singapore EPA

Chapter 11 provides for government procurement. The Chapter provides that the provisions of the WTO Agreement on Government Procurement, except for some clauses, shall apply *mutatis mutandis* to the procurement of goods and services specified in Annex VII A by the entities of the contracting party countries specified in Annex VII B if the procurement amount is not less than SDR 100,000. SDR means the special drawing rights of the International Monetary Fund.

Unlike the WTO Agreement on Government Procurement, the Japan-Singapore EPA has no provisions on non-discrimination and stipulates that it shall not apply to any procurement by the regional government entities or any procurement of construction works etc.,.

The Japan-Singapore EPA provides that the relevant threshold shall be reduced from SDR 130,000, which is the threshold stipulated in the WTO Agreement on Government Procurement, to SDR 100,000, and thus, imposes obligations greater than those of the WTO Agreement on Government Procurement. Although Singapore is a contracting party country of the WTO Agreement on Government Procurement, a commitment to a threshold of SDR 100,000 does not violate the principle of non-discrimination under such Agreement. Because the WTO Agreement on Government Procurement provides that non-discrimination treatment shall be given "[w]ith respect to all laws, regulations, procedures and practices regarding government procurement covered by this Agreement," the WTO Agreement on Government Procurement applies only to the procurement of not less than SDR 130,000, which Japan agrees to procure under such Agreement. Therefore, the measures under the Japan-Singapore EPA for the procurement of SDR 100,000 or more but less than SDR 130,000, which is covered by the Japan-Singapore EPA, are not subject to the rules of the WTO Agreement on Government Procurement. In Japan, under voluntary measures by the government, the threshold for all non-party countries (including the contracting parties of the WTO Agreement on Government Procurement) is established at SDR 100,000 by law.

In addition, the Japan-Singapore EPA provides (i) that when an entity listed in Annex VII B is privatized, this Chapter shall no longer apply to that entity and (ii) that government officials shall exchange information in respect of government procurement.

2) Japan-Mexico EPA

Chapter 11 has virtually the same provisions as those of the WTO Agreement on Government Procurement but does not provide for most-favored nation treatment. Procurement by regional government entities and privatized entities are excluded from the scope of application.

Mexico is not a contacting party to the WTO Agreement on Government Procurement. Under the government procurement system of Mexico, companies of countries that have executed a Free Trade Agreement with Mexico ("Mexico FTA Country Companies") are treated differentially, i.e. more favorably, than companies of countries that have not executed a Free Trade Agreement with Mexico ("Non-Mexico FTA Country Companies"). In the evaluation of bid prices, the bid prices of Mexican companies are discounted by 10% in comparison with those of Non-Mexico FTA Country Companies. Large bids are designated "international public bids to be called for in accordance with the provisions of the Free Trade Agreement," and Non-Mexico FTA Country Companies cannot participate. Therefore, Japanese companies were in a disadvantageous situation prior to the Japan-Mexico EPA.

Because of the Japan-Mexico EPA, Japanese companies have become able to enjoy treatment equal to that of Mexico FTA Country Companies (such as companies from the U.S.A or Canada) and Mexican companies in the government procurement of Mexico.

3) Japan-Malaysia EPA

Malaysia is not a contracting party to the WTO Agreement on Government Procurement. Although Japan insisted on establishing provisions on government procurement in the Japan-Malaysia EPA, negotiations have failed to establish such provisions.

4) Japan-Philippines EPA

Because the Philippines is not a contracting party to the WTO Agreement on Government Procurement, Chapter 11 of the Japan-Philippines EPA addresses government procurement with a view to expanding the government procurement market.

The Chapter provides that (i) the party countries recognize the importance to a party country of according national treatment and non-discrimination treatment with respect to the measures regarding government procurement, (ii) in the event that a party country offers a non-party country any advantageous treatment concerning the measures regarding government procurement, the former party country shall consent to enter into negotiations with the other party country with a view to extending these advantages or advantageous treatment to the other party country, (iii) for purposes of the effective implementation and operation of this Chapter, a Sub-Committee shall be established, and (iv) the party countries shall enter into negotiations at the earliest possible time, not later than five (5) years after the date of the entry into force of this Agreement, with a view to liberalizing their respective government procurement markets.

＜Trade Facilitation>

(1) Background to Rules

Negotiations are currently taking place to establish comprehensive rules in the DDA (see Part III, [Supplement VII] “Trade Facilitation (Singapore Issue)” at the WTO forum. Also, the FTAs/EPAs entered into by Japan usually have provisions for the enhancement of the predictability and transparency of customs procedures and simplification of customs procedures from the perspective that, when advancing economic partnership, it is important to settle individual or specific problems between party countries through bilateral cooperation and, thus, facilitate trade.

(2) Overview of Legal Disciplines

Basically, these provisions involve enhancing the transparency of customs procedures through public announcements of customs-related laws and regulations, etc., harmonizing customs procedures with relevant international standards and simplifying customs procedures through the use of information and communications technology, etc. In addition, the promotion of cooperation and the exchange of information between customs authorities and establishment of sub-committees between customs authorities are stipulated for trade facilitation. Provisions also provide for the promotion of cooperation and the exchange of information between customs authorities for the purposes of preventing violations of customs laws and regulations and preventing the smuggling of illicit drugs, guns, etc., and goods suspected of infringing intellectual property rights on the borders (See e.g. Chapter 4 of the Japan-Singapore EPA, Section 3 of Chapter 5 of the Japan-Mexico EPA, Chapter 4 of the Japan-Malaysia EPA, and Chapter 4 of the Japan-Philippines EPA).

In addition to the above, the Japan-Singapore EPA and Japan-Philippines EPA provide in the chapter on paperless trading that the party countries shall cooperate through the exchange of views and information on realizing and promoting paperless trading, shall encourage cooperation between their relevant private entities engaging in activities related to paperless trading and shall review the progress made in realizing paperless trading (See Chapter 5 of the Japan-Singapore EPA, and Chapter 5 of the Japan-Philippines EPA).

Chart 6-1 Comparison of Provisions related to Customs Procedures in Respective EPAs which have been Signed by Japan

	Japan-Singapore EPA	Japan-Mexico EPA	Japan-Malaysia EPA	Japan-Philippines EPA
Acceleration of customs procedures	For prompt customs clearance of goods traded between the Parties, each Party shall make use of information and communications technology, simplify its customs procedures, and make its customs procedures conform to	For prompt customs clearance of goods traded between the Parties, each Party shall make cooperative efforts to make use of information and communications technology, simplify its customs procedures, and make its customs	For prompt customs clearance of goods traded between the Countries, each Country shall make use of information and communications technology, simplify its customs procedures, harmonize its customs	Each party shall make use of information and communications technology, reduce and simplify import and export documentation requirements, and harmonize its customs procedures with relevant international standards, in order

	relevant international standards (Article 36).	procedures conform to relevant international standards (Article 50).	procedures with relevant international standards, and promote co-operation between its customs authority and other national authorities, and its customs authority and the trading communities of the Country (Article 54).	to make cooperative efforts for simplification and harmonization of their customs procedures (Article 53).
Cooperation and exchange of information between the customs authorities	The Parties shall exchange information between the customs authorities with respect to the implementation of this Chapter (Article 38).		The Countries shall co-operate and exchange information with each other on customs matters (Article 56). The area of co-operation shall include capacity building, such as training, technical assistance and exchange of experts (Article 57).	The Parties shall cooperate and exchange information with each other, in the fields of customs procedures, including their enforcement against trafficking of prohibited goods and importation and exportation of goods suspected of infringing intellectual property rights (Article 55).
Simplification of the procedures for the temporary admission of goods	Each Party shall continue to facilitate the procedures for the temporary admission of goods (Article 37).		Each Country shall continue to facilitate the procedures for the temporary admission of goods traded between the Countries (Article 55).	Each Party shall continue to facilitate customs clearance of goods in transit (Article 54).
Transparency of the customs procedures			Each Country shall ensure that all relevant information of general application pertaining to its customs laws is publicly available in the Country, and at the request of an interested person of the Countries, shall endeavor to	Each Party shall ensure that all relevant information of general application pertaining to its customs laws is readily available to any interested person, and at the request of an interested person, provide

			provide information (Article 53).	information (Article 52).
Establishment of sub-committees on customs procedures	Article 39		Article 58	Article 56