

Annex 9
referred to in Chapter 10

Reservations for Measures referred to
in Paragraph 3 of Article 10.8

Part 1
Schedule of Japan

1. The Schedule of Japan sets out, in accordance with paragraph 3 of Article 10.8, the reservations taken by Japan 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 10.3;
- (b) Article 10.4; or
- (c) Article 10.7.

2. Each reservation sets out the following elements:

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

- (f) "Existing Measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

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

4. For the purposes of this Annex, "JSIC" means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on October 30, 2013.

1 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)
Prohibition of Performance
Requirements (Article 10.7)

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 Mongolia or their
investments;
- (b) impose limitations on the
ability of investors of
Mongolia or their investments
as owners of such interests or
assets to control any resulting
enterprise; or
- (c) adopt or maintain any measure
related to the nationality of
executives, managers or members
of the board of directors of
any resulting enterprise.

Existing
Measures:

2 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)

Prohibition of Performance
Requirements (Article 10.7)

Description: In the event where the supply of telegraph services, postal services, betting and gambling services, manufacture of tobacco products, manufacture of Bank of Japan notes and 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 related to those activities.

Existing
Measures:

3 Sector: All Sectors

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)
Most-Favored-Nation Treatment
(Article 10.4)

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

Existing
Measures:

4 Sector: Aerospace Industry

Sub-Sector: Aircraft Industry

Space Industry

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)

Prohibition of Performance
Requirements (Article 10.7)

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

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

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

5 Sector: Arms and Explosives Industry

Sub-Sector: Arms Industry

Explosives Manufacturing Industry

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)

Prohibition of Performance
Requirements (Article 10.7)

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

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

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

6 Sector: Energy

Sub-Sector: Electricity Utility Industry

Gas Utility Industry

Nuclear Energy Industry

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)

Prohibition of Performance
Requirements (Article 10.7)

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

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

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

7 Sector: Fisheries

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

Industry Classification:

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

Type of Reservation:

National Treatment (Article 10.3)

Most-Favored-Nation Treatment (Article 10.4)

Prohibition of Performance Requirements (Article 10.7)

Description:

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

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

- (a) investigation of aquatic resources without taking such resources;
- (b) luring of aquatic resources;

- (c) preservation and processing of fish catches;
- (d) transportation of fish catches and fish products; and
- (e) provision of supplies to other vessels used for fisheries.

Existing
Measures:

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

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

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

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

8 Sector: Information and Communications

Sub-Sector: Broadcasting Industry

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

JSIC 381 Public broadcasting, except cablecasting

JSIC 382 Private-sector broadcasting, except cablecasting

JSIC 383 Cablecasting

Type of Reservation: National Treatment (Article 10.3)

Prohibition of Performance Requirements (Article 10.7)

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

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

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

Radio Law (Law No. 131 of 1950), Chapter 2

Broadcast Law (Law No. 132 of 1950), Chapters 5 and 8

9 Sector: Land Transaction

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)
Most-Favored-Nation Treatment
(Article 10.4)

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

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

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

Sub-Sector:

Industry
Classification:

Type of
Reservation: National Treatment (Article 10.3)

Most-Favored-Nation Treatment
(Article 10.4)

Prohibition of Performance
Requirements (Article 10.7)

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

Existing
Measures:

Part 2
Schedule of Mongolia

1. The Schedule of Mongolia sets out, in accordance with paragraph 3 of Article 10.8, the reservations taken by Mongolia 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 10.3;
- (b) Article 10.4; or
- (c) Article 10.7.

2. Each reservation sets out the following elements:

- (a) "Sector" refers to the general sector in which the reservation is taken;
- (b) "Sub-Sector" refers to the specific sector in which the reservation is taken;
- (c) "Type of Reservation" specifies the obligations referred to in paragraph 1 for which the reservation is taken;
- (d) "Description" sets out, with regard to the obligations referred to in paragraph 1, the non-conforming aspects of the existing measures for which the reservation is taken; and
- (e) "Existing Measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.

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

1 Sector: All Sectors

Sub-Sector:

Type of Reservation: National Treatment (Article 10.3)
Prohibition of Performance Requirements (Article 10.7)

Description: When transferring or disposing of its equity interests in, or the assets of, a state enterprise or a governmental entity, Mongolia reserves the right to:

- (a) prohibit or impose limitations on the ownership of such interests or assets by investors of Japan or their investments;
- (b) impose limitations on the ability of investors of Japan or their investments as owners of such interests or assets to control any resulting enterprise; or
- (c) adopt or maintain any measure related to the nationality of executives, managers or members of the board of directors of any resulting enterprise.

Existing Measures:

2 Sector: All Sectors

Sub-Sector:

Type of Reservation: National Treatment (Article 10.3)
Most-Favored-Nation Treatment (Article 10.4)
Prohibition of Performance Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt or maintain any measure to balance, for national security reasons, amount of investments in an individual sector to be established, acquired or expanded by foreign investors.

Existing Measures: Policy Concept on the Mongolian National Security (Parliament Resolution No. 48 of 2010)

3 Sector: Food Industry

Sub-Sector: Strategic Food Production

Type of
Reservation: National Treatment (Article 10.3)
Prohibition of Performance
Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt
or maintain any measure to ensure
local production of the majority of
consumer demands for such food as
livestock-meat, milk, flour, wheat,
grain seed and drinking water.

Existing
Measures: Food Law of December 20, 2012,
Article 3.1

Additional Changes on the Government
Resolution and Its Amendments
(Cabinet Order No. 114 of 2011),
Annex 1

4 Sector: Manufacturing

Sub-Sector: Wool and Cashmere Industry

Type of
Reservation: National Treatment (Article 10.3)
Prohibition of Performance
Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt
or maintain any measure related to
investment in wool and cashmere
industry.

Existing
Measures:

5 Sector: Transportation

Sub-Sector: Railway Transportation

Type of
Reservation: National Treatment (Article 10.3)
Most-Favored-Nation Treatment
(Article 10.4)
Prohibition of Performance
Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt
or maintain any measure related to
admission of investment in its
railway transportation sector.

Existing
Measures: Parliament Resolution on the State
Policy of Railway Transportation
(No. 32 of 2010)

6 Sector: Civil Aviation

Sub-Sector: Air Transportation for Commercial Purposes

Type of Reservation: National Treatment (Article 10.3)
Prohibition of Performance Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt or maintain any measure related to investment in its civil aviation and air transportation sector.

Existing Measures:

7 Sector: Construction

Sub-Sector: Real Estate Development and Trading

Type of
Reservation: National Treatment (Article 10.3)
Prohibition of Performance
Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt
or maintain any measure related to
admission of investment in real
estate development and ownership and
trading by foreign citizen and
foreign legal entities.

Existing
Measures:

8 Sector: Communications

Sub-Sector: Radio and Television Services

Radio and Television Transmission Services

Type of Reservation: National Treatment (Article 10.3)
Prohibition of Performance Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt or maintain any measure related to investment in radio and television services and radio and television transmission services.

Existing Measures:

9 Sector: Mining

Sub-Sector:

Type of
Reservation: Prohibition of Performance
Requirements (Article 10.7)

Description: Mongolia reserves its right to adopt
or maintain any measure related to
admission of investment in mining
industry.

Existing
Measures: Minerals Law of July 8, 2006,
Articles 34 and 43

Investment Law of October 3, 2013,
Articles 21 and 22

10 Sector: All Sectors

Sub-Sector:

Type of
Reservation: National Treatment (Article 10.3)
Most-Favored-Nation Treatment
(Article 10.4)

Description: National treatment and most-favored-
nation treatment may not be accorded
to investors of Japan and their
investments with respect to
subsidies.

Existing
Measures: