

TREATY OF AMITY, COMMERCE AND NAVIGATION BETWEEN THE REPUBLIC OF THE PHILIPPINES AND JAPAN

Note: The Agreement is pending ratification by the Senate.

The Government of the Republic of the Philippines and the Government of Japan,

Animated by the desire to maintain and strengthen the amicable relations existing between their respective countries, and Desirous of facilitating and developing trade and commerce between the two countries on a mutually advantageous basis,

Have resolved to conclude a Treaty of Amity, Commerce and Navigation and for that purpose have appointed as their Plenipotentiaries,

The Government of the Republic of the Philippines:

J. B. Laurel, Jr., Former Speaker, House of Representatives

Lorenzo Sumulong, Chairman, Senate Committee on Foreign Relations

Ramon P. Mitra, Chairman, Committee on Foreign Affairs, House of Representatives

Rogelio de la Rosa, Member, Senate Committee on Foreign Relations

Antonio V. Raquiza, Member, Committee on Foreign Affairs, House of Representatives

Manuel A. Adeva, Ambassador Extraordinary and Plenipotentiary to Japan

Perfecto E. Laguio, Undersecretary of Commerce and Industry

Caesar Z. Lanuza, Career Minister, Chief of Mission, Philippine Reparations Mission

Andres V. Castillo, Deputy Governor of the Central Bank

Enrique M. Garcia, Career Minister

The Government of Japan:

Morio Yukawa, Ambassador Extraordinary and Plenipotentiary to the Republic of the Philippines

Shigenobu Shima, Deputy Vice-Minister for Foreign Affairs

Nobuhiko Ushiba, Ambassador, Director of the Economic Affairs Bureau, Ministry of Foreign Affairs

Who, having communicated to each other their full powers found to be in due form, have agreed upon the following Articles:

ARTICLE I

Nationals of either Party shall be accorded treatment no less favorable than that accorded to nationals of any third country with respect to all matters relating to

their entry into, sojourn, travel and residence within, the territories of the other Party.

ARTICLE II

1. Nationals and companies of either Party, within the territories of the other Party, shall be accorded treatment no less favorable than that accorded to nationals and companies of any third country with respect to all matters pertaining to the levying of taxes, access to the courts of justice and to administrative agencies, the making and performance of contracts, rights to property, participation in juridical entities, and generally the conduct of all kinds of business and professional activities.

2. Notwithstanding the provisions of paragraph 1 of the present Article, each Party reserves the right to accord special tax advantages on a basis of reciprocity or by virtue of agreements for the avoidance of double taxation or the mutual protection of revenue.

ARTICLE III

1. Nationals and companies of either Party shall be accorded treatment no less favorable than that accorded to nationals and companies of any third country with respect to payments, remittances and transfers of funds or financial instruments between the territories of the two Parties as well as between the territories of the other Party and of any third country.

2. The provisions of paragraph 1 of the present Article do not preclude either Party from imposing such exchange restrictions as are consistent with the rights and obligations that it has or may have as a contracting party to the Articles of Agreement of the International Monetary Fund.

3. Neither Party shall impose restrictions or prohibitions on the importation of any product of the other party, or on the exportation of any product to the territories of the other Party, unless the importation of the like product of, or the exportation of the like product to all third countries is similarly restricted or prohibited.

4. Notwithstanding the provisions of paragraph 3 of the present Article, either Party may apply restrictions or controls on the importation and exportation of goods that have effect equivalent to exchange restrictions which the said Party may at that time apply under the provisions of paragraph 2 of the present Article.

ARTICLE IV

1. With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to all rules and formalities in connection with importation and exportation, and with respect to the application of internal taxes to exported goods, and with respect to all internal taxes or other internal charges of any kind imposed on or in connection with imported goods, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods, any advantage, favor, privilege or immunity which has been or may hereafter be granted by either Party any product originating in or destined for any third country shall be accorded immediately and unconditionally to the like produce originating in or destined for the territories of the other Party.

2. The provisions of paragraph 1 of the present Article shall not apply to special advantages accorded by either Party to products of its national fisheries.

ARTICLE V

The two Parties undertake to cooperate for mutual benefit with a view to expanding trade and to strengthening economic relations between the two countries, and to furthering the interchange and use of scientific and technical knowledge, particularly in the interests of economic development and of the improvement of standards of living within their respective territories. Neither Party shall hamper the introduction into its territories of capital or technology of the other Party which will contribute to the sound and balanced development of its national economy on a self-sustaining basis.

ARTICLE VI

1. Vessels under the flag of either Party, and carrying the papers required by its law in proof of nationality, shall be deemed to be vessels of that Party both on the high seas and within the ports, places and waters of the other Party.

2. Merchant vessels of either Party shall have liberty, on equal terms with merchant vessels of the other Party and of any third country, to come with their passengers and cargoes to all ports, places and waters of such other Party open to foreign commerce and navigation. Such vessels shall in all respects be accorded treatment no less favorable than that accorded to the vessels of any third country within the ports, places and waters of such other Party, and shall be accorded treatment no less favorable than that accorded to like vessels of such other Party with respect to technical facilities of all kinds, such as the allocation of berths, the use of loading and unloading facilities, pilotage services and supply of fuel, lubricating oils, water and food.

3. Merchant vessels of either Party shall be accorded treatment no less favorable than that accorded to like vessels of any third country with respect to the right to carry all goods and persons that may be carried by vessels to or from the territories of the other Party; and such goods and persons shall be accorded treatment no less favorable than that accorded to like goods and persons carried in merchant vessels of such other Party with respect to: (a) duties and charges of all kinds, (b) the administration of the customs, and (c) bounties, drawbacks and other privileges of this nature.

4. Each Party may reserve to its own vessels the right to engage in the coasting trade. Merchant vessels of either Party may, nevertheless, proceed from one port to another within the territories of the other Party, either for the purpose of landing the whole or part of their passengers or cargoes brought from abroad, or of taking on board the whole or part of their passengers or cargoes for a foreign destination, always complying with the laws and regulations of such other Party.

5. (1) In case of shipwreck, damage at sea or forced putting in, either Party shall extend to vessels of the other Party the same assistance and protection and the same exemptions as are in like cases accorded to its own vessels. Goods salvaged from such vessels shall be exempt from all customs duties, unless the goods are entered for domestic consumption; but goods not entered for domestic consumption may be subject to measures for the protection of the revenue pending their exit from the country.