

**MULTILATERAL TRADE
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THE URUGUAY ROUND**

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COMMUNICATION FROM JAPAN

Revised MFN Exemption List of Japan

The following communication is circulated at the request of Japan to the members of the Group of Negotiations on Services.

In accordance with Article II:2 and the Annex on Article II Exemptions of the General Agreement on Trade in Services, Japan submits the attached revised list of measures for which it seeks MFN exemption. The attached revised list and this cover note are by no means final, and Japan reserves the right to further revise their content as deemed necessary.

Japan wishes to make clear, at this stage when the negotiation is still underway, that Japan may be compelled to take the following appropriate action as responses to other major trading partner's possible MFN exemptions:

1. MFN exemption on counter-measures in the maritime sector.
2. (a) Japan would have no other option but to take an appropriate action, in response to any move, if any, seeking a wide-ranging exemption for the financial sector; and
(b) MFN exemption on reciprocity measures including those concerning licensing in the banking and securities sub-sectors if other major trading partners seek such exemption.

LIST OF ARTICLE II EXEMPTIONS FOR JAPAN

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Apply	Intended Duration	Conditions Creating the Need for the Exemption
Maritime cabotage services*	Right of engaging in maritime cabotage services is reserved to Japanese nationals, except for service suppliers of a limited number of countries on the basis of Friendship, Commerce and Navigation treaties, who are granted right of limited access.	All countries**	This measure shall be maintained as long as the treaties referred to in the second column remain in force.	While the cabotage is generally closed to foreigners, it is a well established international practice for major trading partners to grant limited access to cabotage transportation to foreign vessels on a reciprocal basis or for other consideration.

* "Maritime Cabotage Services" means transportation of passengers or goods between a port located in Japan and another port located in Japan and traffic originating and terminating in the same port located in Japan.

**Note (Information provided for transparency purpose). A limited access to maritime cabotage transportation referred to in the second column has been granted to nationals of Germany, Norway, the United States of America by the time of submission of this list.

LIST OF ARTICLE II EXEMPTIONS FOR JAPAN

Sector or Sub-Sector	Description of Measure Indicating its Inconsistency with Article II	Countries to which the Measure Apply	Intended Duration	Conditions Creating the Need for the Exemption
International freight forwarding services	An operation permit or governmental registration for international freight forwarding services is granted to only those firms of countries in which Japanese firms are eligible for such permit or qualified for such registration.	All countries*	Termination of these measures shall be considered depending upon the outcome of subsequent rounds of negotiations for liberalisation. It is, however, premature at this stage to specify the duration.	Some of the major trading partners do not accord the Japanese nationals satisfactory access to the supply of international freight forwarding services in their territories.

*Note (Information provided for transparency purpose): An operation permit or governmental registration referred to in the second column has been granted to the firms of the United States of America, the United Kingdom, Germany and Switzerland by the time of submission of this list and will be granted to the firms of any other Members making commitments for international freight forwarding services without any limitations under the Agreement.