



Kuala Lumpur, 8 March 2018

**His Excellency
Mr. Makio Miyagawa
Ambassador of Japan to Malaysia**

Excellency,

In connection with the signing on this date of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (the Agreement), I have the honor to confirm the following agreement reached between representatives of the Government of Malaysia and the Government of Japan:

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) of the Agreement restricts the right of Malaysia to adopt or maintain measures that condition the cross-border supply of electronic payment services into Malaysia by a service supplier of another Party on a requirement that such electronic payment services are supplied through a payment system operated in Malaysia by an entity approved by Bank Negara Malaysia (hereinafter referred to as an 'approved operator of payment system in Malaysia').

Any such measure shall:

- (1) be applicable only to electronic payment services for payment card transactions made in Malaysia by using payment cards issued in Malaysia;
- (2) not be used as a means of avoiding Malaysia's obligations under Section D (Electronic Payment Card Services);
- (3) not result in creating a competitive disadvantage to any service suppliers of Malaysia and of another Party;
- (4) ensure the security, speed and reliability of the services, and preserve the ability of service suppliers of another Party to innovate; and
- (5) not impose unreasonable costs, directly or indirectly, on service suppliers of another Party.

If an approved operator of payment system in Malaysia and a supplier of another Party enter into an agreement or agreements for the processing of electronic payment transactions that set out standards for operation of that payment system, compliance with the terms of the agreement or agreements shall be deemed to satisfy Malaysia's obligations under paragraphs (3), (4) and (5) with respect to that supplier.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement as between Malaysia and Japan.

Sincerely,



Mustapa Mohamed
Minister of International Trade and Industry
Malaysia

Kuala Lumpur, March 8, 2018

Excellency,

I am pleased to acknowledge your letter of March 8, 2018, which reads as follows:

"In connection with the signing on this date of the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership* (the Agreement), I have the honor to confirm the following agreement reached between representatives of the Government of Malaysia and the Government of Japan:

Nothing in Section D (Electronic Payment Card Services) of Annex 11-B (Specific Commitments) of the Agreement restricts the right of Malaysia to adopt or maintain measures that condition the cross-border supply of electronic payment services into Malaysia by a service supplier of another Party on a requirement that such electronic payment services are supplied through a payment system operated in Malaysia by an entity approved by Bank Negara Malaysia (hereinafter referred to as an 'approved operator of payment system in Malaysia').

Any such measure shall:

- (1) be applicable only to electronic payment services for payment card transactions made in Malaysia by using payment cards issued in Malaysia;
- (2) not be used as a means of avoiding Malaysia's obligations under Section D (Electronic Payment Card Services);
- (3) not result in creating a competitive disadvantage to any service suppliers of Malaysia and of another Party;

H.E. Mustapa Mohamed
Minister of International Trade and Industry
Malaysia

- (4) ensure the security, speed and reliability of the services, and preserve the ability of service suppliers of another Party to innovate; and
- (5) not impose unreasonable costs, directly or indirectly, on service suppliers of another Party.

If an approved operator of payment system in Malaysia and a supplier of another Party enter into an agreement or agreements for the processing of electronic payment transactions that set out standards for operation of that payment system, compliance with the terms of the agreement or agreements shall be deemed to satisfy Malaysia's obligations under paragraphs (3), (4) and (5) with respect to that supplier.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement as between Malaysia and Japan."

I have the honor to confirm that my Government shares this understanding, and that your letter and this letter in reply shall constitute an agreement between our two Governments, subject to dispute settlement under Chapter 28 (Dispute Settlement) of the Agreement, which shall enter into force on the date of entry into force of the Agreement as between Japan and Malaysia.



Makio Miyagawa
Ambassador of Japan to Malaysia