

IMPLEMENTING AGREEMENT
BETWEEN THE GOVERNMENT OF JAPAN
AND THE GOVERNMENT OF MALAYSIA
PURSUANT TO ARTICLE 12 OF THE AGREEMENT
BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF
MALAYSIA
FOR AN ECONOMIC PARTNERSHIP

Preamble

The Government of Japan and the Government of
Malaysia,

In accordance with Article 12 of the Agreement between
the Government of Japan and the Government of Malaysia for
an Economic Partnership (hereinafter referred to in this
Agreement as "the Basic Agreement"),

HAVE AGREED as follows:

Chapter 1
General Provisions

Article 1
Definitions

For the purposes of this Agreement:

- (a) the term "Countries" means Japan and Malaysia and
the term "Country" means either Japan or
Malaysia; and
- (b) the term "Governments" means the Government of
Japan and the Government of Malaysia and the term
"Government" means either the Government of Japan
or the Government of Malaysia.

Chapter 2
Customs Procedures

Article 2
Purpose

The purpose of this Chapter is to provide for the
details concerning the implementation of the co-operation
and exchange of information set forth in Article 56 of the
Basic Agreement.

Article 3
Mutual Assistance

1. The customs authority of a Country shall, to the extent possible, provide the customs authority of the other Country, upon request or on its own initiative, with information which helps to ensure proper application of customs laws and the prevention of violation or attempted violation of customs laws.

2. The request pursuant to paragraph 1 of this Article shall, wherever appropriate, specify:

- (a) the verification procedures that the customs authority of a Country requesting information has undertaken or attempted; and
- (b) the specific information that the customs authority of the Country requests.

3. The information provided for in paragraph 1 of this Article may include the following:

- (a) new enforcement techniques having proved their effectiveness;
- (b) new trends, means or methods of violating or attempting to violate customs laws;
- (c) goods known to be associated with the violation or attempted violation of customs laws, as well as transport and storage methods used for such goods;
- (d) persons known to have violated or attempted to violate customs laws, or suspected of having violated or attempted to violate customs laws; and
- (e) any other information that can assist the customs authorities of the Countries (hereinafter referred to in this Chapter as "the customs authorities") with risk assessment for the purposes of appropriate customs control and facilitation of customs procedures.

4. On request of the customs authority of a Country (hereinafter referred to in this Article as "the requesting authority"), the customs authority of the other Country (hereinafter referred to in this Article as "the requested authority") shall provide the requesting authority with information relating to:

- (a) whether goods imported into the territory of the Country of the requesting authority have been lawfully exported from the territory of the Country of the requested authority; and
- (b) whether goods exported from the territory of the Country of the requesting authority have been lawfully imported into the territory of the Country of the requested authority and the customs procedures, if any, under which the goods have been placed.

5. The customs authorities shall, by mutual consent, co-operate in the area of exchange of personnel between them.

Article 4 Information and Communications Technology

- 1. The customs authorities shall make co-operative efforts to promote the use of information and communications technology, including possible electronic data interchange between the customs authorities.
- 2. The customs authorities shall exchange information, including best practices, on the use of information and communications technology for the purpose of improving customs procedures.

Article 5 Risk Management

- 1. In order to facilitate customs clearance of goods traded between the Countries, the customs authorities shall continue to use risk management.
- 2. The Governments shall endeavour to promote, through seminars and courses, the use of risk management and the improvement of risk management techniques in their Countries.
- 3. The customs authorities shall exchange information, including best practices, on risk management techniques and other enforcement techniques.

Article 6 Enforcement against Illicit Trafficking

The customs authorities shall, wherever possible, co-operate and exchange information in their enforcement against the trafficking of illicit drugs and other prohibited goods at their customs checkpoints.

Article 7
Intellectual Property Rights

The customs authorities shall, wherever possible, cooperate and exchange information in their enforcement against importation and exportation of goods suspected of infringing intellectual property rights.

Article 8
Exchange of Information

1. Each Government shall maintain the confidentiality of any information communicated to it in confidence by the other Government pursuant to Article 56 of the Basic Agreement and this Chapter, unless the latter Government consents to the disclosure of such information.

2. Each Government may limit the information it communicates to the other Government when the latter Government is unable to give the assurance requested by the former Government with respect to the limitations of purposes for which the information will be used.

3. If a Government that requests information would be unable to comply with a similar request in case such a request were made by the other Government, it shall draw attention to that fact in its request. Execution of such a request shall be at the discretion of the latter Government.

4. Information provided from the customs authority of a Country to the customs authority of the other Country pursuant to Article 56 of the Basic Agreement and this Chapter shall be used only for the discharge of functions of the latter customs authority under its Country's customs laws.

5. Information provided pursuant to Article 56 of the Basic Agreement and this Chapter shall not be used by the receiving Government in criminal proceedings carried out by a court or a judge.

6. In the event that information communicated by a Government to the other Government pursuant to Article 56 of the Basic Agreement and this Chapter is needed for presentation to a court or a judge in criminal proceedings, that other Government shall submit a request for such information to the Government that communicated the information (hereinafter referred to in this Article as "the requested Government") through the diplomatic channel or other channel established in accordance with the laws of the Country of the requested Government. The requested Government will make its best efforts to respond promptly and favourably to meet any reasonable deadlines indicated by the requesting Government.

7. Notwithstanding any other provision of this Chapter, a Government shall not be required to communicate information to the other Government if such communication is prohibited by the laws or regulations of the Country of the former Government or if the former Government considers such communication incompatible with its important interests.

8. In the event of termination of this Agreement, the provisions of this Article except paragraphs 2 and 3 shall continue to apply.

Article 9 Sub-Committee on Customs Procedures

1. Pursuant to Article 58 of the Basic Agreement, the Sub-Committee on Customs Procedures (hereinafter referred to in this Article as "the Sub-Committee") shall comprise the following:

- (a) officials from the Ministry of Finance of Japan and from the Royal Malaysian Customs, as co-chairs;
- (b) for Japan, officials from the Ministry of Finance and the Ministry of Foreign Affairs, and other government officials with the necessary expertise relevant to the issues to be discussed who may be included on an ad hoc basis; and
- (c) for Malaysia, officials from the Royal Malaysian Customs, and other government officials with the necessary expertise relevant to the issues to be discussed who may be included on an ad hoc basis.

2. The Sub-Committee may, by consensus, invite representatives of relevant entities other than the Governments with the necessary expertise relevant to the issues to be discussed.

Chapter 3
Intellectual Property

Article 10
Areas and Forms of Co-operation

Pursuant to paragraph 2 of Article 128 of the Basic Agreement:

- (a) the areas of the co-operation may include:
 - (i) intellectual property brokerage or licensing, intellectual property management, registration and exploitation, and patent mapping;
 - (ii) protection of intellectual property in the digital environment;
 - (iii) intellectual property education and public awareness programmes;
 - (iv) further modernization of administration of intellectual property protection system; and
 - (v) enforcement of intellectual property rights; and
- (b) the forms of the co-operation may include:
 - (i) exchanging information and sharing experiences and skills;
 - (ii) undertaking training and exchanging of experts;
 - (iii) consultation on activities relating to enforcement of intellectual property rights; and
 - (iv) such other forms as mutually agreed between the Governments.

Chapter 4
Controlling Anti-competitive Activities

Article 11
Objective

1. The purpose of this Chapter is to provide for the details and procedures concerning the implementation of the co-operation set forth in Article 132 of the Basic Agreement.

2. For the purposes of this Chapter, the term "implementing authority(ies)" means:

- (a) in the case of Japan, the Fair Trade Commission; and
- (b) in the case of Malaysia, the Ministry of Domestic Trade and Consumer Affairs.

Article 12 Transparency

The implementing authority of each Country shall:

- (a) promptly inform the implementing authority of the other Country of any amendment of laws and regulations and any adoption of new laws and regulations of its Country that control anti-competitive activities;
- (b) provide, as appropriate, the implementing authority of the other Country with copies of its publicly-released guidelines or policy statements issued with regard to controlling anti-competitive activities; and
- (c) provide, as appropriate, the implementing authority of the other Country with copies of its annual reports and/or any other publication that are made generally available to the public.

Article 13 Technical Co-operation

1. The Governments agree that it is in their common interest for the implementing authorities to work together in technical co-operation activities related to controlling anti-competitive activities.

2. The technical co-operation activities may include, within the reasonably available resources of the implementing authority of each Country, the following:

- (a) exchange of implementing authorities' personnel for training purposes; and
- (b) participation of implementing authorities' personnel as lecturers or consultants at training courses on competition laws and regulations organised or sponsored by each other's implementing authority.

Article 14
Discussion

The implementing authorities of the Countries shall discuss, upon the request of either implementing authority, on any matter of mutual interest which may arise in connection with controlling anti-competitive activities.

Article 15
Review

1. The Governments shall, as mutually agreed between the Governments, review and expand the co-operation pursuant to this Chapter, when either Country adopts new laws and regulations that control anti-competitive activities.

2. Any such expansion of the co-operation shall be subject to the applicable laws and regulations of each Country and available resources of each Government.

Article 16
Miscellaneous

1. Detailed arrangements to implement this Chapter may be made between the implementing authorities of the Countries.

2. Nothing in this Chapter shall prevent the Governments from seeking or providing assistance to one another pursuant to other bilateral or multilateral agreements or arrangements between the Governments.

3. Nothing in this Chapter shall be construed to affect the rights and obligations of either Government under other international agreements or arrangements or under the laws of its Country.

Chapter 5
Improvement of Business Environment

Article 17
Sub-Committee on Improvement of Business Environment

1. Issues to be addressed by the Sub-Committee on Improvement of Business Environment (hereinafter referred to in this Chapter as "the Sub-Committee") referred to in subparagraph 1(a) of Article 135 of the Basic Agreement may include:

- (a) improvement of transparency in business related rules, regulations, administrative procedures, administrative decisions and judicial decisions;

- (b) measures to simplify and expedite administrative procedures;
- (c) ways to facilitate business activities in both Countries; and
- (d) other issues related to business environment.

2. The Sub-Committee may, as appropriate, hold preparatory and follow-up meetings. Such preparatory and follow-up meetings will be held at the request of the representative of either Government of the Sub-Committee.

3. Pursuant to subparagraph 1(a) of Article 135 of the Basic Agreement, co-operation between the Sub-Committee and other relevant Sub-Committee(s) may include:

- (a) consulting with other relevant Sub-Committee(s) on issues of mutual interest; and
- (b) inviting the members of other relevant Sub-Committee(s) to the meetings of the Sub-Committee.

Article 18

Liaison Office on Improvement of Business Environment

1. The functions of the Liaison Office on Improvement of Business Environment (hereinafter referred to in this Chapter as "Liaison Office") in each Country designated pursuant to Article 137 of the Basic Agreement, shall be:

- (a) receiving complaints, inquiries and request for consultation from the enterprises of the other Country with regard to the laws, regulations and any other administrative measures of its Country which may adversely affect the business activities of the enterprises of the other Country;
- (b) transmitting the complaints, inquiries and request for consultation referred to in subparagraph (a) to relevant authorities of its Country;
- (c) seeking responses from the relevant authorities of its Country within a reasonable period of time, where appropriate, in writing with sufficient explanations, reasons and legal basis, if any;

- (d) transmitting responses from the relevant authorities of its Country to the enterprises of the other Country which submitted the complaints, inquiries or request for consultation;
- (e) providing the enterprises of the other Country with necessary information and advice in collaboration with the relevant authorities of its Country; and
- (f) reporting the findings to the Sub-Committee regarding the exercise of such functions as referred to in subparagraphs (a) through (e) in relation to the improvement of business environment.

2. Notwithstanding paragraph 1 of this Article, all communications between the Liaison Office of a Country and the enterprises of the other Country shall be through an authority of that Country, if such authority is designated by that Country.

3. Paragraphs 1 and 2 of this Article shall not be construed as preventing or restricting any contacts made by the enterprises of a Country directly to relevant authorities of the other Country.

Chapter 6 Co-operation

Section 1 General Provisions

Article 19 Implementation of Co-operation

1. Pursuant to Chapter 12 of the Basic Agreement, the Governments shall implement co-operation with due regard to the projects and programmes for co-operation as specified in the Joint Statement at the Signing of the Agreement between the Government of Japan and the Government of Malaysia for an Economic Partnership.

2. The details and procedures for implementation of co-operation under Sections 2 through 8 will be decided with the mutual consent of both Governments.

Section 2 Co-operation in the Field of Agriculture, Forestry, Fisheries and Plantation

Article 20
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising the importance of securing stable food supply, and of sustainable development of agriculture, forestry, fisheries and plantation, and of development of rural areas, shall co-operate in the field of agriculture, forestry, fisheries and plantation on the basis of mutual benefit.

Article 21
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:
 - (i) sound development of food industries;
 - (ii) efficient and sustainable utilisation of natural resources;
 - (iii) human resource development related to agriculture, forestry, fisheries and plantation;
 - (iv) development and promotion of technologies relating to agriculture, forestry, fisheries and plantation, and food processing and distribution; and
 - (v) development of rural areas; and
- (b) the forms of co-operation under this Section may include:
 - (i) exchanging views and information;
 - (ii) encouraging joint research and development;
 - (iii) encouraging and facilitating visits and exchanges of experts;
 - (iv) promoting the holding of seminars and workshops; and
 - (v) other forms of co-operation which the Governments mutually agree upon.

Article 22
Working Group on
Agriculture, Forestry, Fisheries and Plantation

1. Pursuant to Article 143 of the Basic Agreement, a working group on agriculture, forestry, fisheries and plantation (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee on Co-operation (hereinafter referred to in this Chapter as "the Sub-Committee").

2. The functions of the Working Group shall include:

- (a) exchanging views and information on co-operation in the field of agriculture, forestry, fisheries and plantation and identifying ways of further co-operation;
- (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Section;
- (c) reporting the findings and the outcome of discussions, and making recommendations to the Sub-Committee regarding issues relating to the implementation of this Section; and
- (d) discussing other issues relating to co-operation in the field of agriculture, forestry, fisheries and plantation.

3. The Working Group shall be composed of the following:

- (a) for Japan, officials from the Ministry of Foreign Affairs, the Ministry of Agriculture, Forestry and Fisheries and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed; and
- (b) for Malaysia, officials from the Ministry of Agriculture and Agro-Based Industry, the Ministry of Plantation Industries and Commodities, the Ministry of Natural Resources and Environment, the Ministry of Foreign Affairs, the Ministry of Health and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed.

4. The Working Group may invite representatives of relevant entities other than the Governments, with the necessary expertise relevant to the issues to be discussed.

5. The Working Group shall hold its inaugural meeting within one year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency and venues as the Governments may agree upon.

Section 3
Co-operation in the Field of
Education and Human Resource Development

Article 23
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising that sustainable economic growth and prosperity largely depend on people's knowledge and skills, and acknowledging that capacity building is essential in all fields of co-operation under Chapter 12 of the Basic Agreement, shall co-operate in the field of education and human resource development.

Article 24
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:
 - (i) higher education;
 - (ii) development of human resources with advanced knowledge and skills;
 - (iii) technical and vocational training;
 - (iv) young people's mutual understanding;
 - (v) occupational safety and health; and
 - (vi) Japanese language education; and
- (b) the forms of co-operation under this Section may include:
 - (i) exchanging views and information on policy issues;
 - (ii) establishing educational and vocational institutions as a centre of excellence for human resource development in the region;

- (iii) encouraging and facilitating visits and exchanges of experts, scholars, teachers and government officials;
- (iv) promoting the holding of seminars and workshops;
- (v) encouraging and facilitating exchange of young people;
- (vi) encouraging co-operation among educational institutions of both Countries;
- (vii) providing and promoting opportunities for internship and industrial training;
- (viii) encouraging and facilitating co-operation between private entities of both Countries; and
- (ix) other forms of co-operation which the Governments mutually agree upon.

Article 25

Co-operation under the Look East Policy

The Governments, reaffirming that the Look East Policy of Malaysia has contributed to human resource development in Malaysia and deepened mutual understanding between both Countries, shall continue to co-operate in a more interactive way to meet challenges of the changing global environment.

Article 26

Technical Assistance to Developing Countries

The Governments, recognising that their partnership has produced positive effect onto the economic and social development of developing countries, shall co-operate to extend technical assistance to developing countries in the field of human resource development.

Article 27

Working Group on Education and Human Resource Development

1. Pursuant to Article 143 of the Basic Agreement, a working group on education and human resource development (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee.

2. The functions of the Working Group shall include:

- (a) exchanging views and information on co-operation in the field of education and human resource development and identifying ways of further co-operation;
 - (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Section;
 - (c) reporting the findings and the outcome of discussions and making recommendations to the Sub-Committee regarding issues relating to the implementation of this Section; and
 - (d) discussing other issues relating to co-operation in the field of education and human resource development.
3. The Working Group shall be composed of the following:
- (a) for Japan, officials from the Ministry of Foreign Affairs, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labour and Welfare, the Ministry of Economy, Trade and Industry and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed; and
 - (b) for Malaysia, officials from the Ministry of Human Resources, the Ministry of Education, the Ministry of Higher Education, the Ministry of Foreign Affairs, the Public Service Department and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed.
4. The Working Group may invite representatives of relevant entities other than the Governments, with the necessary expertise relevant to the issues to be discussed.
5. The Working Group shall hold its inaugural meeting within one year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency and venues as the Governments may agree upon.

Section 4
Co-operation in the Field of
Information and Communications Technology

Article 28
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising the rapid development, led by the private sector, of information and communications technology (hereinafter referred to in this Section as "ICT") and of business practices concerning ICT-related services both in the domestic and international contexts, shall co-operate in promoting the development of ICT and ICT-related services with a view to obtaining the maximum benefit of the use of ICT for both Countries.

Article 29
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:
 - (i) next generation internet, broadband networks and ubiquitous networks;
 - (ii) use of ICT-related services;
 - (iii) electronic commerce, including facilitation of the procedures for accreditation of certification authorities for electronic signatures;
 - (iv) circulation of digital content over broadband networks;
 - (v) human resource development relating to ICT, including skill standards; and
 - (vi) collaboration on ICT research and development; and
- (b) the forms of co-operation under this Section may include:
 - (i) exchanging information on policy issues;
 - (ii) encouraging and facilitating visits and exchanges of experts;
 - (iii) promoting the holding of seminars and workshops;
 - (iv) promoting co-operation between the private sectors of both Countries;

- (v) promoting co-operation in international fora relating to ICT; and
- (vi) other forms of co-operation which the Governments mutually agree upon.

Section 5
Co-operation in the Field of
Science and Technology

Article 30
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising that science and technology will contribute to the continued expansion of the economies of their respective Countries in the medium and long term, shall develop and promote co-operation between the Governments for peaceful purposes, in the field of science and technology, including biotechnology, on the basis of equality and mutual benefit.

Article 31
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:
 - (i) science and technology suitable to provide a basis for industrial development;
 - (ii) development of human resources with advanced knowledge and skills; and
 - (iii) efficient utilisation of natural resources; and
- (b) the forms of co-operation under this Section may include:
 - (i) exchanging views and information on policy issues;
 - (ii) promoting the holding of seminars, dialogues and workshops with a view to enhancing awareness and knowledge of scientists of both Countries;
 - (iii) encouraging exchange of information and technology between research and development institutions of both Countries;

- (iv) encouraging joint research and development;
- (v) encouraging and facilitating visits and exchanges of scientists, technical personnel or other experts; and
- (vi) other forms of co-operation which the Governments mutually agree upon.

Article 32

Protection and Distribution of Intellectual Property Rights and Other Rights of a Proprietary Nature

1. Scientific and technological information of a non-proprietary nature arising from co-operation between the Governments under this Section may be made available to the public by either Government.

2. In accordance with Chapter 9 of the Basic Agreement, the applicable laws and regulations of the Countries and the relevant international agreements to which both Countries are parties, the Governments shall ensure the adequate and effective protection, and give due consideration to the distribution, of intellectual property rights and any other rights of a proprietary nature resulting from the co-operation under this Section. The Governments shall consult for this purpose as necessary.

Article 33

Working Group on Science and Technology

1. Pursuant to Article 143 of the Basic Agreement, a working group on science and technology (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee.

2. The functions of the Working Group shall include:
- (a) exchanging views and information on co-operation in the field of science and technology and identifying ways of further co-operation;
 - (b) monitoring, reviewing, and discussing issues concerning the effective implementation of this Section;
 - (c) reporting the findings and the outcome of discussions and making recommendations to the Sub-Committee regarding issues relating to the implementation of this Section; and
 - (d) discussing other issues relating to co-operation in the field of science and technology.

3. The Working Group shall be composed of the following:
- (a) for Japan, officials from the Ministry of Foreign Affairs, the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Economy, Trade and Industry and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed; and
 - (b) for Malaysia, officials from the Ministry of Science, Technology and Innovation, the Ministry of Plantation Industries and Commodities, the Ministry of Natural Resources and Environment, the Ministry of Agriculture and Agro-Based Industry, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed.
4. The Working Group may invite representatives of relevant entities other than the Governments, with the necessary expertise relevant to the issues to be discussed.
5. The Working Group shall hold its inaugural meeting within one year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency and venues as the Governments may agree upon.

Section 6
Co-operation in the Field of Small and Medium Enterprises

Article 34
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising the fundamental role of small and medium enterprises (hereinafter referred to in this Section as "SMEs") in enhancing the dynamism and the competitiveness of the national economies of their respective Countries, shall co-operate in promoting the development of SMEs of both Countries.

Article 35
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:

- (i) strengthening of management and competitiveness of SMEs; and
 - (ii) human resource development relating to SMEs; and
- (b) the forms of co-operation under this Section may include:
- (i) exchanging information and sharing experience on SMEs;
 - (ii) promoting capacity building for SMEs;
 - (iii) promoting the holding of seminars, dialogues and workshops;
 - (iv) encouraging and facilitating visits and exchanges of experts;
 - (v) promoting investment by SMEs of both Countries; and
 - (vi) other forms of co-operation which the Governments mutually agree upon.

Article 36

Working Group on Small and Medium Enterprises

1. Pursuant to Article 143 of the Basic Agreement, a working group on small and medium enterprises (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee.
2. The functions of the Working Group shall include:
 - (a) exchanging views and information on co-operation in the field of SMEs and identifying ways of further co-operation;
 - (b) monitoring, reviewing and discussing issues concerning the effective implementation of this Section;
 - (c) reporting the findings and the outcome of discussions and making recommendations to the Sub-Committee regarding issues relating to the implementation of this Section; and
 - (d) discussing other issues relating to co-operation in the field of SMEs.

3. The Working Group shall be composed of the following:
- (a) for Japan, officials from the Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed; and
 - (b) for Malaysia, officials from the Ministry of International Trade and Industry, the Ministry of Entrepreneur and Co-operative Development, the Ministry of Foreign Affairs, Small and Medium Industries Development Corporation (SMIDEC) and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed.
4. The Working Group may invite representatives of relevant entities other than the Governments, with the necessary expertise relevant to the issues to be discussed.
5. The Working Group shall hold its inaugural meeting within one year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency and venues as the Governments may agree upon.

Section 7
Co-operation in the Field of Tourism

Article 37
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising that tourism will contribute to the enhancement of mutual understanding between peoples of both Countries and that tourism is an important industry for their respective economies, shall co-operate in the field of tourism in both Countries.

Article 38
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:
 - (i) promotion of tourism;
 - (ii) human resource development relating to tourism; and

- (iii) sustainable development of tourism; and
- (b) the forms of co-operation under this Section may include:
 - (i) exchanging information and sharing experience;
 - (ii) encouraging and facilitating visits and exchanges of experts;
 - (iii) promoting the holding of seminars, dialogue and workshops;
 - (iv) providing appropriate assistance for tourism promotion and development programme;
 - (v) promoting training of persons engaged in the tourism industry;
 - (vi) encouraging and facilitating co-operation between private entities of both Countries; and
 - (vii) other forms of co-operation which the Governments mutually agree upon.

Article 39
Working Group on Tourism

1. Pursuant to Article 143 of the Basic Agreement, a working group on tourism (hereinafter referred to in this Article as "the Working Group") shall be established under the Sub-Committee.
2. The functions of the Working Group shall include:
 - (a) exchanging views and information on co-operation in the field of tourism and identifying ways of further co-operation;
 - (b) monitoring, reviewing and discussing issues concerning the effective implementation of this Section;
 - (c) reporting the findings and the outcome of discussions and making recommendations to the Sub-Committee regarding issues relating to the implementation of this Section; and
 - (d) discussing other issues relating to co-operation in the field of tourism.

3. The Working Group shall be composed of the following:
- (a) for Japan, officials from the Ministry of Foreign Affairs, the Ministry of Land, Infrastructure and Transport and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed; and
 - (b) for Malaysia, officials from the Ministry of Tourism, the Ministry of Culture, Arts and Heritage, the Ministry of Foreign Affairs and, where appropriate, officials from other government agencies with the necessary expertise relating to the issues to be discussed.
4. The Working Group may invite representatives of relevant entities other than the Governments, with the necessary expertise relevant to the issues to be discussed.
5. The Working Group shall hold its inaugural meeting within one year after this Agreement enters into force. Subsequent meetings of the Working Group shall be held at such frequency and venues as the Governments may agree upon.

Section 8
Co-operation in the Field of Environment

Article 40
Basic Principles

Pursuant to Chapter 12 of the Basic Agreement, the Governments, recognising the importance of strengthening capacity to protect the environment and promote sustainable development, and the critical role of multilateral environmental agreements, shall co-operate in the field of environment.

Article 41
Areas and Forms of Co-operation

Pursuant to Article 141 of the Basic Agreement:

- (a) the areas of co-operation under this Section shall include:
 - (i) conservation and improvement of the environment; and
 - (ii) promotion of sustainable development; and

- (b) the forms of co-operation under this Section may include:
- (i) exchanging information on policies, laws, regulations and technology;
 - (ii) promoting the holding of seminars;
 - (iii) encouraging and facilitating visits and exchanges of experts;
 - (iv) encouraging trade and dissemination of environmentally sound goods and services;
 - (v) encouraging exchange of information for the identification of investment opportunities and the promotion and development of business alliances; and
 - (vi) other forms of co-operation which the Governments mutually agree upon.

Chapter 7
Final Provisions

Article 42
Implementation

This Agreement shall be implemented by the Governments in accordance with the Basic Agreement and the laws and regulations in force in their respective Countries, and within the available resources of each Government.

Article 43
Headings

The headings of the Chapters, Sections and Articles of this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement.

Article 44
Entry into Force

This Agreement shall enter into force at the same time as the Basic Agreement and shall remain in force as long as the Basic Agreement remains in force. The Governments shall, at the request of a Government, consult with each other as to whether to amend this Agreement.

Article 45
Dispute Settlement

Chapter 13 of the Basic Agreement shall apply *mutatis mutandis* with respect to the settlement of disputes between the Governments concerning the interpretation or application of Chapters 2 and 7 of this Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement.

DONE at Kuala Lumpur, on this day of
December in the year 2005 in duplicate in the English
language.

For the Government
of Japan:

For the Government
of Malaysia: