

- (i) Sub-Committee on Cooperation in the Field of Agriculture.
- (j) Sub-Committee on Cooperation in the Field of Tourism.

Other Sub-Committees may be established as the Parties may agree.

5. The Joint Committee shall establish its rules and procedures.

6. The Joint Committee shall meet alternately in Japan and Mexico at the request of either Party.

Article 166 Communications

Each Party shall designate a contact point to facilitate communications between the Parties on any matter relating to this Agreement.

Article 167 Relation to Other Agreements

1. The Parties reaffirm their rights and obligations under the WTO Agreement.

2. Nothing in Chapters 3, 7 and 8 shall be construed to prevent either Party from taking any necessary action as may be authorized by Article 22 of the Understanding on Rules and Procedures Governing the Settlement of Disputes in Annex 2 to the WTO Agreement, as may be amended.

3. The Convention on Commerce between Japan and the United Mexican States signed at Tokyo on January 30, 1969 shall expire upon the date of entry into force of this Agreement.

Chapter 17 Exceptions

Article 168 General Exceptions

1. For the purposes of Chapters 3, 4, 5, and 6, Article XX of the GATT 1994 is incorporated into and made part of this Agreement, *mutatis mutandis*.

2. For the purposes of Chapters 8 and 10, paragraphs (a), (b) and (c) of Article XIV of the GATS are incorporated into and made part of this Agreement, *mutatis mutandis*.

Article 169
National Security

For the purposes of Chapters 3, 4, 5, 6, 7, 8, 10 and 16, nothing in this Agreement shall be construed:

- (a) to require a Party to furnish or allow access to any information the disclosure of which it considers contrary to its essential security interests;
- (b) to prevent a Party from taking any action that it considers necessary for the protection of its essential security interests:
 - (i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials or services undertaken directly or indirectly for the purpose of supplying a military or other security establishment,
 - (ii) taken in time of war or other emergency in international relations, or
 - (iii) relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices, or relating to fissionable and fusionable materials or the materials from which they are derived; or
- (c) to prevent a Party from taking any action in pursuance of its obligations under the United Nations Charter, as may be amended, for the maintenance of international peace and security.

Article 170
Taxation

1. Except as otherwise provided for in this Article, nothing in this Agreement shall apply to taxation measures.

2. Nothing in this Agreement shall affect the rights and obligations of either Party under any tax convention. In the event of any inconsistency between this Agreement and any such convention, that convention shall prevail to the extent of the inconsistency.

Note: The term "tax convention" means a convention for the avoidance of double taxation or other international taxation agreement or arrangement.

3. Notwithstanding paragraph 2 above:

(a) Article 3 shall apply to taxation measures to the same extent as does Article III of the GATT 1994; and

(b) Article 6 shall apply to taxation measures.

4. (a) Article 61 shall apply to taxation measures except that no investor may invoke that Article as the basis for a claim under Article 76, where it has been determined pursuant to subparagraph (b) below that the measure is not an expropriation.

(b) The investor shall refer the issue, at the time that it gives a written request under Article 78, to the competent authorities of both Parties to determine whether such measure is not an expropriation. If the competent authorities of both Parties do not consider the issue or, having considered it, fail to determine that the measure is not an expropriation within a period of 180 days of such referral, the investor may submit its claim to arbitration under Article 79.

(c) For the purposes of subparagraph (b) above, the term "competent authorities" means:

(i) in the case of Mexico, the Ministry of Finance and Public Credit; and

(ii) in the case of Japan, the Minister of Finance or his authorized representative.

Article 171
Payments and Transfers
and Restrictions to Safeguard the Balance of Payments

1. For the purposes of Chapter 3:

(a) nothing in this Agreement shall be construed to prevent a Party from taking any measure for balance-of-payments purposes;

- (b) a Party taking such measure shall do so in accordance with the conditions established under Article XII of the GATT 1994, and the Understanding on the Balance-of-Payments Provisions of the General Agreement on Tariffs and Trade 1994 in Annex 1A to the WTO Agreement, as may be amended; and
- (c) nothing in this Agreement shall preclude the use by a Party of exchange controls or exchange restrictions in accordance with the Articles of Agreement of the International Monetary Fund, as may be amended.

2. For the purposes of Chapter 8:

- (a) except under the circumstances envisaged in subparagraph (d) below, a Party shall not apply restrictions on international transfers and payments for current transactions relating to cross-border trade in services under Chapter 8;
- (b) nothing in this Agreement shall affect the rights and obligations of the Parties as members of the International Monetary Fund under the Articles of Agreement of the International Monetary Fund, as may be amended, including the use of exchange actions which are in conformity with the Articles of Agreement of the International Monetary Fund, as may be amended;
- (c) notwithstanding subparagraph (b) above, a Party shall not impose restrictions on any capital transactions inconsistently with its obligations regarding such transactions under Chapter 8 except under subparagraph (d) below or at the request of the International Monetary Fund;
- (d) in the event of serious balance-of-payments and external financial difficulties or threat thereof, a Party may adopt or maintain restrictions on trade in services, including on payments or transfers for transactions;
- (e) the restrictions referred to in subparagraph (d) above:
 - (i) shall ensure that the other Party is treated as favorably as any non-Party;
 - (ii) shall be consistent with the Articles of Agreement of the International Monetary Fund, as may be amended;

- (iii) shall avoid unnecessary damage to the commercial, economic and financial interests of the other Party;
- (iv) shall not exceed those necessary to deal with the circumstances described in subparagraph (d) above; and
- (v) shall be temporary and be phased out progressively as the situation specified in subparagraph (d) above improves;
- (f) in determining the incidence of such restrictions referred to in subparagraph (d) above, a Party may give priority to the supply of services which are more essential to their economic or development programs. However, such restrictions shall not be adopted or maintained for the purpose of protecting a particular service sector; and
- (g) any restrictions adopted or maintained under subparagraph (d) above, or any changes therein, shall be promptly notified to the other Party.

Chapter 18 Final Provisions

Article 172 Table of Contents and Headings

The table of contents and 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 173 Annexes and Notes

The Annexes and Notes to this Agreement shall constitute an integral part of this Agreement.

Article 174 Amendment

1. Unless otherwise provided for in this Agreement, this Agreement may be amended by agreement between the Parties. Such amendment shall be approved by the Parties in accordance with their respective legal procedures. Such amendment shall enter into force on the thirtieth day after the date of exchange of diplomatic notes indicating such approval.