(a) does not maintain diplomatic relations with the non-Party; or

(b) adopts or maintains measures with respect to the non-Party that prohibit transactions with the juridical person or that would be violated or circumvented if the benefits of this Chapter were accorded to the juridical person or to its investments.

2. A Party may deny the benefits of this Chapter to an investor of another Party that is a juridical person of the latter Party and to its investments if the juridical person is owned or controlled by an investor of a non-Party or of the denying Party and the juridical person has no substantive business operations in the territory of that latter Party.

Note: The denying Party shall endeavour to notify the other Parties of its decision to deny the benefits of this Chapter to an investor of another Party.

3. For the purposes of this Article, a juridical person is:

(a) "owned" by an investor if more than fifty (50) per cent of the equity interest in it is beneficially owned by the investor; and

(b) "controlled" by an investor if the investor has the power to name a majority of its directors or otherwise to legally direct its actions.

4. Following notification, and without prejudice to paragraphs 1 through 3, the Republic of the Philippines may deny the benefits of this Chapter to an investor of another Party and to investments of that investor, where it establishes that such investor has made an investment in breach of the provisions of Commonwealth Act No. 108, entitled "An Act to Punish Acts of Evasion of Laws on the Nationalization of Certain Rights, Franchises or Privileges", as amended by Presidential Decree No. 715, otherwise known as "The Anti-Dummy Law", as may be amended.

Article 51.22
Sub-Committee on Investment

1. For the purposes of the effective implementation and operation of this Chapter, a Sub-Committee on Investment (hereinafter referred to in this Article as "Sub-Committee") shall be established pursuant to Article 11.

2. The functions of the Sub-Committee shall be to:

(a) discuss and review the implementation and operation of this Chapter;

(b) review the exceptional measures maintained, amended, modified or adopted pursuant to paragraph 1 of Article 51.7 for the purpose of contributing to the reduction or elimination of such exceptional measures;

(c) discuss the exceptional measures adopted or maintained pursuant to paragraph 2 of Article 51.7 for the purpose of encouraging favourable conditions for investors of the Parties;

(d) discuss any other investment-related matters concerning this Chapter; and

(e) report, where appropriate, its findings to the Joint Committee.

3. The Sub-Committee shall be:

(a) composed of representatives of the Governments of Japan and ASEAN Member States; and

(b) co-chaired by an official of the Government of Japan and an official of one of the Governments of ASEAN Member States.

4. The Sub-Committee shall meet at such venues and times as may be agreed by the Parties.