(e) the Applicant Party would not be able to obtain the information under its laws in similar circumstances;

(i) for the purposes of administration or enforcement of its own tax laws; or

(ii) in response to a valid request under this Agreement.

2. This Agreement shall not impose on a Contracting Party the obligation to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process. Notwithstanding the foregoing sentence, information of the type referred to in paragraph 4 of Article 5 shall not be treated as such a secret or trade process merely because it meets the criteria in that paragraph.

3. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

4. The Requested Party may decline a request for information if the information is requested by the Applicant Party to administer or enforce any provision of the tax laws of the Applicant Party, or any requirement connected therewith, which discriminates against a national of the Requested Party as compared with a national of the Applicant Party in the same circumstances.

Article 8
CONFIDENTIALITY

Any information received by a Contracting Party under this Agreement shall be treated as confidential and may be disclosed only to persons or authorities (including courts and administrative bodies) in the Contracting Party concerned with the assessment or collection of, the enforcement or prosecution in respect of, or the determination of appeals in relation to, the taxes referred to in Article 4. Such persons or authorities shall use such information only for such purposes. They may disclose the information in public court proceedings or in judicial decisions. The information may not be disclosed to any other person or authority, including those in non-Contracting Parties, without the express written consent of the Requested Party.

Article 9
SAFEGUARDS

The procedural rights and safeguards secured to persons by the laws or administrative practices of the Requested Party remain applicable, when the Requested Party obtains and provides information under this Agreement. The rights and safeguards may not be applied by the Requested Party in a manner that unduly prevents or delays effective exchange of information.

Article 10
COSTS

Incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Contracting Parties.

Chapter 3
ALLOCATION OF RIGHTS OF TAXATION

Article 11
PERSONS COVERED

This Chapter shall apply to individuals who are residents of one or both of the Contracting Parties.

Article 12
TAXES COVERED

1. This Chapter shall apply to taxes on income imposed on behalf of a Contracting Party or a political subdivision or local authority thereof, irrespective of the manner in which they are levied.

2. In the case of Japan, the existing taxes to which this Chapter shall apply are the income tax and the local inhabitant taxes.

3. This Chapter shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of this Agreement in addition to, or in place of, those referred to in paragraph 2.

4. The competent authorities of the Contracting Parties shall notify each other of any significant changes that have been made in their respective tax laws, within a reasonable period of time after such changes.