Chapter 1
General Provisions

Article 1
Objectives

The objectives of this Agreement are to:

(a) liberalise and facilitate trade in goods and services between the Parties;

(b) increase investment opportunities and strengthen protection for investments and investment activities in the Parties;

(c) ensure protection of intellectual property and promote cooperation in the field thereof;

(d) promote cooperation for the effective enforcement of competition laws in each Party;

(e) improve business environment in each Party;

(f) establish a framework to enhance closer cooperation in the fields agreed in this Agreement; and

(g) create effective procedures for the implementation and application of this Agreement and for the resolution of disputes.

Article 2
Geographical Scope of Application

Unless otherwise specified, this Agreement shall apply to "the Area" of each Party, which consists of the territory of the Party, including its territorial sea, airspace above such territory; and all the area beyond its territorial sea, including the sea-bed and subsoil thereof, over which the Party has sovereign rights or jurisdiction in accordance with its laws and regulations and international law, including the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982.

Note: Nothing in this Article shall affect the rights and obligations of the Parties under international law, including those under the United Nations Convention on the Law of the Sea, done at Montego Bay, December 10, 1982.

Article 3
General Definitions

For the purposes of this Agreement, unless otherwise specified:

(a) the term "customs authority" means the authority that, according to the legislation of each Party or non-Parties, is responsible for the administration and enforcement of customs laws and regulations. In the case of Japan, the Ministry of Finance, and in the case of India, the Central Board of Excise and Customs in the Department of Revenue, Ministry of Finance;

(b) the term "days" means calendar days, including weekends and holidays;

(c) the term "enterprise" means any legal person or any other entity duly formed, constituted or organised under applicable law, whether for profit or otherwise, and whether privately-owned or controlled or governmentally-owned or controlled, including any corporation, trust, partnership, joint venture, sole proprietorship, association, organisation or company;

(d) an enterprise is:

(i) "owned" by an investor if more than 50 percent of the equity interests in it is beneficially owned by the investor; and

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