(2) the term "investor of a Contracting Party" means a natural person or an enterprise of a Contracting Party that makes investments in the territory of another Contracting Party;

(3) the term "natural person of a Contracting Party" means a natural person that has the nationality of that Contracting Party in accordance with its applicable laws and regulations;

(4) the term "enterprise of a Contracting Party" means any legal person or any other entity constituted or organized under the applicable laws and regulations of that Contracting Party, whether or not for profit, and whether private-or government-owned or controlled, and includes a company, corporation, trust, partnership, sole proprietorship, joint venture, association or organization;

Note: For greater certainty, a branch of an enterprise is not, in and by itself, deemed to be an enterprise.

(5) the term "investment activities" means management, conduct, operation, maintenance, use, enjoyment and sale or other disposition of investments;

(6) the term "freely usable currencies" means freely usable currencies as defined under the Articles of Agreement of the International Monetary Fund;

(7) the term "ICSID Convention" means the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, done at Washington, March 18, 1965;

(8) the term "UNCITRAL Arbitration Rules" means the arbitration rules of the United Nations Commission on International Trade Law;

(9) the term "WTO Agreement" means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh, April 15, 1994;

(10) the term "ICSID Additional Facility Rules" means the Rules Governing the Additional Facility for the Administration of Proceedings by the Secretariat of the International Centre for Settlement of Investment Disputes.

Article 2
Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favorable conditions for investors of the other Contracting Parties to make investments in its territory.

2. Each Contracting Party shall, subject to its rights to exercise powers in accordance with the applicable laws and regulations, including those with regard to foreign ownership and control, admit investment of investors of another Contracting Party.

Article 3
National Treatment

1. Each Contracting Party shall in its territory accord to investors of another Contracting Party and to their investments treatment no less favorable than that it accords in like circumstances to its own investors and their investments with respect to investment activities.

2. Paragraph 1 shall not apply to non-conforming measures, if any, existing at the date of entry into force of this Agreement maintained by each Contracting Party under its laws and regulations or any amendment or modification to such measures, provided that the amendment or modification does not decrease the conformity of the measure as it existed immediately before the amendment or modification.

Treatment granted to investment once admitted shall in no case be less favorable than that granted at the time when the original investment was made.

3. Each Contracting Party shall take, where applicable, all appropriate steps to progressively remove all the non-conforming measures referred to in paragraph 2.

Note: The People's Republic of China confirms that its measures referred to in paragraph 2 shall not be inconsistent with paragraph 2 of Article 3 of, and paragraph 3 of the Protocol to, the Agreement between Japan and the People's Republic of China Concerning the Encouragement and Reciprocal Protection of Investment, signed at Beijing, August 27, 1988.