(ii) a given range of period as the term of a licence contract,

in regard to any licence contract freely entered into between the investor and a natural or legal person or any other entity in its Area. A "licence contract" referred to in this note means any licence contract concerning transfer of technology, a production process, or other proprietary knowledge. For the avoidance of doubt, a "licence contract" does not include licences for the exploration, prospect, exploitation and extraction of natural resources referred to in subparagraph (a)(vii) of Article 1.

(i) to locate the headquarters of the investor for a specific region or the world market in its Area;

(j) to achieve a given level or value of research and development in its Area; or

(k) to supply one or more of the goods that the investor produces or the services that the investor provides to a specific region or the world market, exclusively from its Area.

2. Neither Contracting Party may condition the receipt or continued receipt of an advantage, in connection with investment activities of an investor of a Contracting Party or of a non-Contracting Party in its Area, on compliance with any of the following requirements:

(a) to achieve a given level or percentage of domestic content;

(b) to purchase, use or accord a preference to goods produced or services provided in its Area, or to purchase goods or services from natural or legal persons or any other entity in its Area;

(c) to relate in any way the volume or value of imports to the volume or value of exports or to the amount of foreign exchange inflows associated with investments of the investor;

(d) to restrict sales of goods or services in its Area that investments of the investor produce or provide by relating such sales in any way to the volume or value of its exports or foreign exchange earnings; or

(e) to restrict the exportation or sale for export.

3. (a) Nothing in paragraph 2 shall be construed to prevent a Contracting Party from conditioning the receipt or continued receipt of an advantage, in connection with investment activities of an investor of a Contracting Party or of a non-Contracting Party in its Area, on compliance with a requirement to locate production, supply a service, train or employ workers, construct or expand particular facilities, or carry out research and development, in its Area.

(b) Subparagraph 1(h) shall not apply when:

(i) the requirement is imposed or the commitment or undertaking is enforced by a court, administrative tribunal or competition authority to remedy an alleged violation of competition laws; or

(ii) the requirement concerns the transfer of intellectual property rights which is undertaken in a manner not inconsistent with the Agreement on Trade-Related Aspects of Intellectual Property Rights in Annex 1C to the WTO Agreement (hereinafter referred to as "the TRIPS Agreement").

(c) Subparagraphs 2(a) and 2(b) shall not apply to requirements imposed by an importing Contracting Party relating to the content of goods necessary to qualify for preferential tariffs or preferential quotas.

4. Paragraphs 1 and 2 shall not apply to any requirement other than the requirements set out in those paragraphs.

Article 7
Non-Conforming Measures

1. Articles 2, 3 and 6 shall not apply to:

(a) any existing non-conforming measure that is maintained by the following, as set out in the Schedule of each Contracting Party in Annex I:

(i) the central government of a Contracting Party; or

(ii) a prefecture of Japan or a province or a municipality of the Republic of Mozambique;