2. Unless otherwise specified, this Agreement also applies to all the areas beyond each Party's territorial sea, including the sea-bed and subsoil thereof, over which that Party exercises sovereign rights or jurisdiction in accordance with international law including the United Nations Convention on the Law of the Sea, done at Montego Bay on 10 December 1982 and its laws and regulations which are consistent with international law.[1]

3. As regards the provisions of this Agreement concerning the application of preferential tariff treatment to goods as well as Articles 2.9 and 2.10, this Agreement also applies to those areas of the customs territory of the European Union not covered by subparagraph 1(a) and to those areas provided for in Annexes 3-E and 3-F.

4. Each Party shall notify the other Party in the event that the respective scope of the territorial application of this Agreement as referred to in paragraphs 1 to 3 changes and promptly provide, on request of the other Party, supplementary information or clarification thereon.

[1] For greater certainty, for the European Union, the areas beyond each Party's territorial sea shall be understood as the respective areas of the Member States of the European Union.

ARTICLE 1.4

Taxation

1. For the purposes of this Article:

(a) "residence" means residence for tax purposes;

(b) "tax agreement" means an agreement for the avoidance of double taxation or any other international agreement or arrangement relating wholly or mainly to taxation to which the European Union or its Member States or Japan is party; and

(c) "taxation measure" means a measure in application of the tax legislation of the European Union, of its Member States or of Japan.

2. This Agreement applies to taxation measures only in so far as such application is necessary to give effect to the provisions of this Agreement.