ARTICLE 8.17

Most-favoured-nation treatment

1. Each Party shall accord to services and service suppliers of the other Party treatment no less favourable than that it accords to like services and service suppliers of a third country.

2. Paragraph 1 shall not be construed as obliging a Party to extend to services and service suppliers of the other Party the benefit of any treatment resulting from:

(a) an international agreement for the avoidance of double taxation or other international agreement or arrangement relating wholly or mainly to taxation; or

(b) existing or future measures providing for recognition of qualifications, licences or prudential measures as referred to in Article VII of GATS or paragraph 3 of its Annex on Financial Services.

ARTICLE 8.18

Non-conforming measures

1. Articles 8.15 to 8.17 do not apply to:

(a) any existing non-conforming measure that is maintained by a Party at a level of:

(i) for the United Kingdom:

(A) the central government, as set out in its Schedule in Annex I to Annex 8-B;

(B) a regional government, as set out in its Schedule in Annex I to Annex 8-B; or

(C) a local government, other than that referred to in subparagraph (B); and

(ii) for Japan:

(A) the central government, as set out in its Schedule in Annex I to Annex 8-B;

(B) a prefecture, as set out in its Schedule in Annex I to Annex 8-B; or

(C) a local government other than a prefecture;

(b) the continuation or prompt renewal of any non-conforming measure referred to in subparagraph (a); or

(c) an amendment of, or modification to, any non-conforming measure referred to in subparagraphs (a) and (b), provided that the amendment or modification does not decrease the conformity of the measure with Articles 8.15 to 8.17 as it existed immediately before the amendment or modification.

2. Articles 8.15 to 8.17 do not apply to any measure by a Party with respect to sectors, sub-sectors or activities as set out in its Schedule in Annex II to Annex 8-B.

ARTICLE 8.19

Denial of benefits

A Party may deny the benefits of this Section to a service supplier of the other Party that is a juridical person of the other Party and to services of that service supplier if that juridical person is owned or controlled by a natural or juridical person of a third country and the denying Party adopts or maintains measures with respect to the third country that:

(a) are related to the maintenance of international peace and security, including the protection of human rights; and

(b) prohibit transactions with the service supplier, or would be violated or circumvented if the benefits of this Section were accorded to the service supplier or to its services.