13. Each Party may rescind its decision to defer to the regulatory and supervisory frameworks of the other Party in a specific area of financial services and revert to the application and enforcement of its own regulatory and supervisory frameworks in circumstances such as, but not exclusively, where:

(a) the regulatory and supervisory frameworks of the other Party are no longer equivalent in outcome;

(b) the other Party fails to enforce its regulatory and supervisory frameworks effectively; or

(c) there is insufficient cooperation, including sharing of information, by the other Party in the areas set out under paragraph 10.

14. Prior to taking a decision to rescind pursuant to paragraph 13, a Party shall give written notification of its intention to rescind to the other Party. Following receipt of such notification, the Parties shall consult with each other within a reasonable timeframe, as agreed between the Parties. Such consultation may include technical mediation pursuant to paragraphs 26 to 31.

Emerging Issues

15. To support innovation in the areas of financial services, the Parties shall endeavour to collaborate, share knowledge, experiences and developments in financial services and facilitate the cross-border development of new financial services.

16. The Parties recognise the importance of building a sustainable and inclusive economy consistent with the outcome document of the United Nations summit for the adoption of the post-2015 development agenda, entitled "Transforming our world: the 2030 Agenda for Sustainable Development" adopted by the General Assembly of the United Nations on 25 September 2015, which includes gender equality and action to combat climate change.

Joint United Kingdom-Japan financial regulatory forum

17. The Parties establish the Joint United Kingdom-Japan financial regulatory forum on the date of entry into force of this Agreement (hereinafter referred to in this Annex as "the Forum").

18. The Forum is in charge of steering regulatory cooperation between the Parties. In particular, the Forum takes stock of progress and undertakes forward planning of regulatory cooperation. The Forum shall observe the principles of regulatory cooperation set out in paragraphs 6 to 14 as implemented in the framework envisaged in paragraphs 23 to 25.

19. Without prejudice to the right of each Party to decide on the composition of its representation in the Forum, the Forum is composed of representatives of the Government of the United Kingdom, including Her Majesty's Treasury, and the Bank of England and Financial Conduct Authority and their successors, and the Government of Japan, including the Financial Services Agency or its successors, which are at technical level in charge of financial services regulatory issues. Each Party may request the other Party to invite representatives from other financial regulatory or supervisory authorities within the territory of the other Party with a view to contributing to the Forum's discussions and preparatory work in matters related to the activity of those financial regulatory or supervisory authorities. The other Party should give positive consideration to such request.

20. The meetings of the Forum will be co-chaired by senior officials of Her Majesty's Treasury of the United Kingdom and the Financial Services Agency of Japan, or their respective successors.

21. Each Party in the Forum shall designate a contact point to facilitate regulatory cooperation. The Forum may establish expert working groups to examine specific issues.

22. The meetings of the Forum shall be held alternately in the United Kingdom and in Japan, at least once a year, and whenever the members of the Forum consider it necessary. When necessary, the meetings may be held alternatively by video conference, where the Parties agree.