(g) to appoint, as executives, managers or members of board of directors, natural persons of any particular nationality;

(h) to adopt:

(i) a given rate or amount of royalty under a licence contract; or

(ii) a given duration of the term of a licence contract,

in regard to any licence contract freely entered into between the investor and a natural person or an enterprise in its Territory, whether it has been entered into or not, provided that the requirement is imposed or the commitment or undertaking is enforced by an exercise of governmental authority of the Contracting Party;

Note: A "licence contract" referred to in this subparagraph means any licence contract concerning transfer of technology, a production process, or other proprietary knowledge.

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

(j) to hire a given number or percentage of its nationals; 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 Territory.

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 Territory, 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 in its Territory, or to purchase goods from a natural person or an enterprise in its Territory;

(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 an investment of the investor;

(d) to restrict sales of goods or services in its Territory that an investment of the investor produces or provides 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) Subparagraph 1(h) shall not apply when the requirement is imposed or the commitment or undertaking is enforced by a court of justice, administrative tribunal or competition authority to remedy an alleged violation of competition laws.

(b) 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 central government or a regional or a prefectural government of a Contracting Party, as set out in the Schedule of each Contracting Party in Annex I;

(b) any existing non-conforming measure that is maintained by a local government other than a regional or a prefectural government of a Contracting Party referred to in subparagraph (a);

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