Article 2

1. When either Party requests, under this Agreement, the other Party to provide supplies and services necessary for the activities which are set forth in sub-paragraphs a. to e. of paragraph 1 of Article 1, and are conducted by the Self-Defense Forces of Japan or the Armed Forces of the Philippines, the other Party, within its competence, may provide the supplies and services requested.

2. The supplies and services related to the following categories may be provided under this Agreement: food; water; billeting; transportation (including airlift); petroleum, oils, and lubricants; clothing; communications services; medical services; base operations support (including construction incident to base operations support); storage services; use of facilities; training services; spare parts and components; repair and maintenance services (including calibration services); airport and seaport services; and ammunition.

The supplies and services related to each category are specified in the Annex, which forms an integral part of this Agreement.

3. Paragraph 2 of this Article shall not be interpreted as to include the provision of weapons by the Self-Defense Forces of Japan or the Armed Forces of the Philippines.

4. The provision of supplies and services between the Self-Defense Forces of Japan and the Armed Forces of the Philippines necessary for the activities which are set forth in sub-paragraphs a. to e. of paragraph 1 of Article 1 shall be conducted pursuant to the laws and regulations of the respective countries.

Article 3

1. The use of supplies and services provided under this Agreement shall be consistent with the Charter of the United Nations.

2. The Party that receives supplies and services under this Agreement (hereinafter referred to as the “receiving Party”) shall not transfer those supplies and services, either temporarily or permanently, by any means to those outside of the forces of the receiving Party, without prior written consent of the Party who provides them (hereinafter referred to as the “providing Party”).

Article 4

1. The settlement procedures for provision of supplies and services under this Agreement shall be as follows:

a. For provision of supplies:

i. The receiving Party shall, subject to sub-paragraph ii., return the supplies in question in a condition and manner that are satisfactory to the providing Party.

ii. If the supplies provided are consumable or the receiving Party cannot return the supplies in question in a condition and manner that are satisfactory to the providing Party, the receiving Party shall, subject to sub-paragraph iii., return supplies of the same type and in the same quality and quantity in a condition and manner that are satisfactory to the providing Party.

iii. If the receiving Party cannot return the supplies of the same type and in the same quality and quantity as the supplies provided in a condition and manner that are satisfactory to the providing Party, the receiving Party shall reimburse the providing Party in the currency specified by the providing Party.

b. For provision of services, the services provided shall be reimbursed in the currency specified by the providing Party or settled by the provision of services of the same type and equivalent value. The manner of the settlement shall be agreed between the Parties prior to the provision of the services.

2. Consumption taxes shall not be charged by either Party for supplies and services provided under this Agreement to the extent permitted by the laws and regulations of the respective countries.