

Service Transactions Requiring Prior Permission of the Minister of Finance Pursuant to Article 18, paragraph (3) of the Foreign Exchange Order (Public Notice No. 100 of March 30, 1998)

(Public Notice No. 100 of 1998)

Pursuant to Article 18, paragraph (3) of the Foreign Exchange Order (Cabinet Order No. 260 of 1980), service transactions that require prior permission of the Minister of Finance pursuant to Article 25, paragraph (6) of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949) are hereby designated as follows, and this designation applies as of April 1, 1998.

(i) Service transactions conducted by a resident with a non-resident that provide technology transferred to Japan based on the exchange of notes concerning cooperation between the United States of America and Japan on space development.

(ii) Financial service transactions (meaning financial services as prescribed in Annex 1B to the Marrakesh Agreement Establishing the World Trade Organization, namely, the Annex on Financial Services of the General Agreement on Trade in Services (hereinafter referred to as the "Annex"), which fall under the category of service transactions as prescribed in Article 25, paragraph (6) of the Foreign Exchange and Foreign Trade Act) conducted by a resident with a non-resident for the purpose of contributing to the transaction or act designated by the Minister for Foreign Affairs as activities that could contribute to North Korea's nuclear-related, ballistic missile-related or other weapons-of-mass destruction-related programs or activities (meaning those specified in the "Designation of Activities that Could Contribute to North Korea's Nuclear-Related, Ballistic Missile-Related, Ballistic Missile or Other Weapons-of-Mass-Destruction-Related Programs or Activities Subject to Measures to Prevent the Transfer of Funds Pursuant to the United Nations Security Council Resolution" (Public Notice of the Ministry of Foreign Affairs No. 365 of July, 2009)).

(iii) Service transactions conducted by a resident with a non-resident that involve the provision of labor or benefit for the purpose of issuing or public offering of securities in Japan (in the case of securities for which a redemption period has been set, limited to those for which the redemption period exceeds 30 days) on or after the date on which entities of the Russian Federation designated by the Minister for Foreign Affairs as entities subject to the measures prohibiting the issuance of securities, etc., in order for Japan to contribute to international efforts toward international peace (meaning those specified in the Designation of an Organization of the Russian Federation Subject to the Prohibition of the Issuance, etc. of

Securities to be Taken for the Purpose of Japan's Contribution to International Efforts for International Peace (Ministry of Foreign Affairs Public Notice No. 314 of September 2014)).

(iv) Service transactions conducted by a resident with a non-resident that involve the provision of labor or benefit for the purpose of issuing or public offering of securities in Japan on or after the date on which the Government of the Russian Federation or other government agency designated by the Minister for Foreign Affairs as being subject to the prohibition measures on the issuance, etc. of securities (meaning an organization specified by the Designation of the Government of the Russian Federation or Other Government Agency, etc. Subject to the Prohibition of the Issuance, etc. of Securities to be Taken for the Purpose of Japan's Contribution to International Efforts for International Peace (Public Notice of the Ministry of Foreign Affairs No. 80 of February 2022; hereinafter in this item referred to as the "Public Notice of 2022")) was designated pursuant to the Public Notice of 2022.

(v) Service transactions conducted by a resident with a non-resident that are stated in item (ii)-4 of the service transactions, etc. designated by the Minister of Economy, Trade and Industry pursuant to Article 18, paragraph (3) of the Foreign Exchange Order (Public Notice of the Ministry of Economy, Trade and Industry No. 93 of April 2010; hereinafter referred to as the "Public Notice of 2010").

(vi) Service transactions conducted by a resident with a non-resident that are stated in item (ii)-5 of the Public Notice of 2010.

(vii) Service transactions conducted by a resident with a non-resident that are stated in item (ii)-6 of the Public Notice of 2010.

(viii) Service transactions conducted by a resident with a non-resident that involve the provision of labor or benefit related to trust business as prescribed in Article 2, paragraph (1) of the Trust Business Act (Act No. 154 of 2004) to the Government of the Russian Federation, any other relevant government agency, any corporation or other organization established under the laws of the Russian Federation, or a natural person having a domicile or residence in the Russian Federation; provided, however, that this excludes services related to transactions stated in item (ii)-2 of the Designation of Capital Transactions that Require Permission from the Minister of Finance pursuant to Article 21, paragraph (1) of the Foreign Exchange and Foreign Trade Act (Public Notice of the Ministry of Finance No. 99 of March 1998) and services provided to any of the following corporations or other organizations established under the laws of the Russian Federation:

(a) a corporation or other such organization in which the shares or capital contributions held by a resident represent 10 percent or more of the total number of issued shares or the total amount of contributions of that corporation or other such organization;

(b) a corporation or other such organization that has a permanent relationship with a resident as stated in the items of Article 23, paragraph (3) of the Ministerial Order on Foreign Exchange (Ministry of Finance Order No. 44 of 1980), such as through sending of officers, long-term supplying of raw materials, or other actions.

(ix) Service transactions conducted by a resident with a non-resident that involve the provision of labor or benefit related to the following businesses to the Government of the Russian Federation, any other relevant government agency, or any corporation or other organization established under the laws of the Russian Federation; provided, however, that this excludes services provided to the corporations or other organizations stated in (a) or (b) of the preceding item and services that are especially necessary for Japan's energy security (limited to those specified by the Minister of Economy, Trade and Industry as service transactions especially necessary for Japan's energy security as prescribed in the proviso to item (viii) of the Designation of Service Transactions, etc. that Require Permission from the Minister of Finance pursuant to Article 18, paragraph(3), item(iv) of the Foreign Exchange Order (Public Notice of the Ministry of Economy, Trade and Industry No. 93 of 2023)):

(a) services stated in Article 2, paragraph (1) of the Certified Public Accountants Act (Act No. 103 of 1948), as well as service transactions involving the preparation of financial documents, the examination or planning of financial matters, the provision of consultation on financial matters, and other finance-related services;

(b) services that fall under detail classification 7281 – Business consultants stated in the Japanese Standard Industrial Classification (hereinafter referred to as the 'JSIC') provided for in the Establishment of Industrial Classifications (Public Notice of the Ministry of Internal Affairs and Communications No. 405 of October 2013) pursuant to Article 28 of the Statistics Act, and that consist exclusively of diagnosis, guidance, education and training, and research and study related to management;

(c) services that fall under detail classification 742 – ENGINEERING AND ARCHITECTURAL SERVICES stated in the JSIC;

(d) services that fall under detailed detail classification 7431 – Mechanical design services or sub-classification 7499 – Miscellaneous technical services stated in the JSIC, limited to those that involve plant engineering services.

(x) Service transactions conducted by a resident with a non-resident that relate to the purchase of crude oil or oil products originating in the Russian Federation and transported by sea at a purchase price exceeding the price cap and that involve the provision of labor or benefit to that non-resident related to the following services; provided, however, that this does not apply where documents (including copies thereof and electronic or magnetic records (meaning records created in electronic, magnetic, or other forms that cannot be perceived by the human senses and that are used for computer processing); the same applies hereinafter in this item) stating

that the purchase price of the crude oil or oil products is equal to or less than the price cap are preserved and can be presented upon request by the Minister of Finance (including cases specified by the competent minister as cases deemed to confirm that the purchase price of Russian crude oil or oil products is equal to or less than the price cap (meaning cases specified in the Public Notice of the Ministry of Finance and the Ministry of Economy, Trade and Industry No. 1 of February 2024)):

(a) services prescribed in Article 2, paragraph (1) of the Marine Transportation Act (Act No. 187 of 1949) concerning marine transportation, other services involving the transportation of cargo by vessel at sea, services involving the arranging for the transportation of that cargo, or services assisting persons engaged in any of the foregoing services;

(b) services prescribed in Article 2, item (i) of the Customs Business Act (Act No. 122 of 1967) or services equivalent to that services when conducted in a foreign country;

(c) Services prescribed in Article 10, paragraph (2), item (i) of the Banking Act (Act No. 59 of 1981) and other services similar thereto, limited to those that involve the issuance of letters of credit;

(d) services prescribed in Article 2, paragraph (30) of the Insurance Business Act (Act No. 105 of 1995) and services related to the non-life insurance business prescribed in Article 2, paragraph (3) of the Shipowners' Mutual Insurance Association Act (Act No. 177 of 1950) (limited to services related to marine insurance, marine cargo insurance for international voyages, and ship-owners' liability insurance, as well as reinsurance thereof).

(xi) Service transactions conducted by a resident with a non-resident that are stated in item (ii) – 2 of the Public Notice of 2010.

(xii) Service transactions conducted by a resident with a non-resident are stated in item (ii) – 3 of the Public Notice of 2010.

Note: The meanings of the terms used in item (x) are as follows:

(i) The term "crude oil" means items classified under heading 2709.00 of Schedule II of the Customs Tariff Act (Act No. 54 of 1910) (excluding those designated under sub-item (b) of item 27.09 in Table 7(9) of item (iii) of Public Notice of the Ministry of International Trade and Industry No. 170 of 1966 (Publication of Items of Cargo Subject to Import Quotas, Place of Origin or Place of Shipment of Cargo Subject to Import Approval, and Other Necessary Matters Concerning Import of Cargo));

(ii) The term "petroleum products" means items classified under heading 27.10 of Schedule II of the Customs Tariff Act (excluding waste oil);

(iii) The term "price cap" of crude oil means the price specified in Appended Table 1 of Public Notice of the Ministry of Foreign Affairs No. 404 of December 2022 (hereinafter referred to as the "Public Notice Specifying the Price Cap"), which was established, in light of the current international situation surrounding Ukraine and

in order for Japan to contribute to international efforts for peace aimed at resolving the issues surrounding Ukraine, as aligned with the measures taken by major countries, as the price cap of crude oil and petroleum products originating in the Russian Federation that are subject to Japan's prohibitions on import, etc.; provided, however, that if, due to an amendment to the Ministry of Foreign Affairs public notice that sets the price cap, the prices specified in Appended Table 1 of that notice are reduced, the price cap applicable to the provision of services or benefits under contracts concluded before the date of that amendment (limited to the provision of services or benefits relating to crude oil originating in the Russian Federation that was loaded on board prior to the date of that amendment and discharged no later than October 17, 2025) is the price cap in effect on the day immediately preceding the date of that amendment;

(iv) The term "price cap" of petroleum products means the price listed in the right-hand column of the following table for the respective petroleum products listed in the left-hand column of that table;

(v) The term "purchase price" of crude oil and petroleum products means the price of crude oil and petroleum products transported by sea to Japan or a third-party country, which is calculated by deducting the amount equivalent to the freight and other costs prescribed in the items of Article 4, paragraph (1) of the Customs Tariff Act from the price equivalent to the taxable amount prescribed in that paragraph, to the extent of the amount included in the price.