

AGREEMENT ON TECHNICAL COOPERATION BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES

The Government of Japan and the Government of the Republic of the Philippines,
Desiring to strengthen further the friendly relations existing between the two countries by
the promotion of technical cooperation, and
Considering mutual benefits derived from promoting the economic and social
development of their respective countries,
Have agreed as follows:

Article I

The two Governments shall endeavor to promote technical cooperation between the two countries.

Article II

Separate arrangements which govern specific technical cooperation programs carried out under this Agreement shall be agreed upon between the competent authorities of the two Governments. The competent authority of the Government of Japan is the Ministry of Foreign Affairs, and the competent authority of the Government of the Republic of the Philippines is the Department of Foreign Affairs.

Article III

1. The following forms of technical cooperation will be carried out by the Japan International Cooperation Agency (hereinafter referred to as “JICA”) at its own expense in accordance with the laws and regulations in force in Japan as well as with the arrangements referred to in Article II:
 - (a) providing technical training to Philippine nationals in Japan;
 - (b) dispatching experts (hereinafter referred to as the “Experts”) to the Republic of the Philippines;
 - (c) dispatching Japanese missions (hereinafter referred to as the “Missions”) to the Republic of the Philippines to conduct surveys of economic and social development projects of the Republic of the Philippines;
 - (d) dispatching Japanese volunteers with a wide range of technical skills and abundant experience (hereinafter referred to as the “Senior Volunteers”) to the Republic of the Philippines;

- (e) providing the Government of the Republic of the Philippines with equipment, machinery and materials; and
 - (f) providing the Government of the Republic of the Philippines with other forms of technical cooperation as may be decided upon by mutual consent between the two Governments.
2. Japan Overseas Cooperation Volunteers (hereinafter referred to as the “JOCV”) will be dispatched to the Republic of the Philippines by JICA at its own expense in accordance with the laws and regulations in force in Japan.

Article IV

The following forms of technical cooperation will be carried out by JICA, sharing its expense with the Government of the Republic of the Philippines, in accordance with the laws and regulations in force in Japan and in the Republic of the Philippines as well as with the arrangements referred to in Article II.

- (a) receiving nationals of developing countries for technical training in the Republic of the Philippines; and
- (b) providing Philippine nationals with technical training in the Republic of the Philippines.

Article V

The Government of the Republic of the Philippines shall ensure that the techniques and knowledge acquired by Philippine nationals as well as the equipment, machinery and materials provided as a result of the Japanese technical cooperation as set forth in Article III and Article IV contribute to the economic and social development of the Republic of the Philippines, and are not utilized for military purposes.

Article VI

In case JICA dispatches the Experts, the Missions and the Senior Volunteers, the Government of the Republic of the Philippines shall:

1. (1) (a) exempt the Experts, members of the Missions and the Senior Volunteers from taxes including income tax and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad concerning the performance of their duties under this Agreement;
- (b) exempt the Experts, members of the Missions, the Senior Volunteers and

their families (For the purpose of this Agreement, the term “family” shall refer to spouse and dependent children.) from consular fees, taxes including value added tax, customs duties and fiscal charges, as well as from the requirements of obtaining certificate of foreign exchange coverage, within six months of their arrival in the Republic of the Philippines, in respect of the importation of:

- (i) luggage;
 - (ii) personal effects, household effects and consumer goods; and
 - (iii) one motor vehicle every five years per Expert assigned to stay in the Republic of the Philippines;
 - (c) exempt the Experts who do not import any motor vehicle into the Republic of the Philippines from taxes including value added tax and fiscal charges in respect of the local purchase of one motor vehicle per Expert, provided that such motor vehicle is purchased within six months of his / her arrival in the Republic of the Philippines; and
 - (d) facilitate the registration of the motor vehicles mentioned in (b) (iii) and (c).
- (2) (a) provide at the expense of the executing agencies of the Government of the Republic of the Philippines suitable office and other facilities including telephone and facsimile services necessary for the performance of the duties of the Experts, the Missions and the Senior Volunteers as well as to bear the expenses for their operation and maintenance;
- (b) provide at the expense of the executing agencies of the Government of the Republic of the Philippines the local staff and Philippine counterparts to the Experts, the Missions and the Senior Volunteers necessary for the performance of their duties;
- (c) bear the expenses of the Experts and the Senior Volunteers, whenever local conditions and financial possibilities of the executing agencies of the Government of the Republic of the Philippines permit, for:
- (i) daily transportation to and from their place of work;
 - (ii) their official travels within the Republic of the Philippines; and
 - (iii) their official correspondence;
- (d) provide through the executing agencies of the Government of the Republic of the Philippines the convenience for acquisition of appropriate housing accommodation for the Experts, the Senior Volunteers and their families; and
- (e) provide through the executing agencies of the Government of the Republic of

the Philippines the convenience for receiving medical care and facilities for the Experts, members of the Missions, the Senior Volunteers and their families.

- (3) (a) permit the Experts, members of the Missions, the Senior Volunteers and their families to enter, leave and sojourn in the Republic of the Philippines for the duration of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;
 - (b) issue identification cards to the Experts, members of the Missions and the Senior Volunteers to secure the cooperation of all governmental organizations necessary for the performance of their duties;
 - (c) offer the Experts and the Senior Volunteers the convenience for acquisition of car driving license; and
 - (d) carry out other measures necessary for the performance of the duties of the Experts, the Missions and the Senior Volunteers.
- 2. The motor vehicles mentioned in paragraph 1. shall be subject to payment of taxes including value added tax and customs duties if they are subsequently sold or transferred within the Republic of the Philippines to individuals or organizations not entitled to exemption from such taxes and duties, or similar privileges.
 - 3. In the event of fire, theft, substantial damage or destruction on the motor vehicles mentioned in paragraph 1., the exemption under this Agreement shall be availed of again at any time during the assignment of the Experts.
 - 4. The Government of the Republic of the Philippines shall accord the Experts, members of the Missions, the Senior Volunteers and their families, such privileges, exemptions and benefits as are no less favorable than those accorded to experts, members of missions, senior volunteers and their families of any third country or of any international organization performing a similar mission in the Republic of the Philippines.

Article VII

The Government of the Republic of the Philippines shall bear claims, if any arises, against the Experts, members of the Missions, the Senior Volunteers and the JOCV resulting from

or occurring in the course of the performance of their duties, except when, after consultation between the two Governments, it is established that such claims arise from gross negligence or willful misconduct on the part of the Experts, members of the Missions, the Senior Volunteers or the JOCV.

Article VIII

1. In case JICA dispatches the JOCV, the Government of the Republic of the Philippines shall accord the JOCV the privileges, exemptions and benefits on the basis of the Exchange of Notes dated on February 15, 1966, between the Government of Japan and the Government of the Republic of the Philippines concerning the dispatch of the JOCV.
2. The Government of the Republic of the Philippines shall accord the JOCV such privileges, exemptions and benefits as are no less favorable than those accorded to the volunteers of any third country or of any international organization performing a similar mission in the Republic of the Philippines.

Article IX

1. (1) In case JICA provides the Government of the Republic of the Philippines with equipment, machinery and materials, the Government of the Republic of the Philippines shall exempt such equipment, machinery and materials from consular fees, taxes including value added tax, customs duties and fiscal charges, as well as from the requirements of obtaining certificate of foreign exchange coverage in respect of the importation. The equipment, machinery and materials mentioned above shall become the property of the Government of the Republic of the Philippines upon being delivered c.i.f. at the port of the disembarkation to the executing agencies of the Government of the Republic of the Philippines.
- (2) In case JICA provides the Government of the Republic of the Philippines with equipment, machinery, materials and services from local sources, the Government of the Republic of the Philippines shall exempt such equipment , machinery, materials and services from taxes including value added tax and fiscal charges in respect of the local purchase.
- (3) The equipment, machinery, materials and services mentioned in sub-paragraphs (1) and (2) shall be utilized for the purpose specified in the arrangements referred to in

Article II unless otherwise agreed upon between the competent authorities of the two Governments.

- (4) The expenses for the transportation within the Republic of the Philippines of the equipment, machinery and materials mentioned in sub-paragraphs (1) and (2) and the expenses for their replacement, maintenance and repair shall be borne by the Government of the Republic of the Philippines through the executing agencies.
2. (1) The equipment, machinery and materials, prepared by JICA, necessary for the performance of the duties of the Experts, members of the Missions and the senior Volunteers shall remain the property of JICA unless otherwise agreed upon between the competent authorities of the two Governments.
- (2) The Government of the Republic of the Philippines shall exempt the Experts, members of the Missions and the senior Volunteers from consular fees, taxes including value added tax, customs duties and fiscal charges, as well as from the requirements of obtaining certificate of foreign exchange coverage, in respect of the importation of the equipment, machinery and materials mentioned in subparagraph (1).
- (3) The Government of the Republic of the Philippines shall exempt the Experts, members of the Missions and the Senior Volunteers from taxes including value added tax and equipment, machinery and materials mentioned in subparagraph (1).

Article X

The Government of the Republic of the Philippines shall maintain close contact, through the executing agencies designated by it, with the Experts, members of the Missions, the Senior Volunteers and the JOCV.

Article XI

1. It is confirmed that JICA may maintain its overseas office in the Republic of the Philippines (hereinafter referred to as the “Office”) with a resident representative and his /her staff to be dispatched from Japan (hereinafter referred to as the “Representative” and the “Staff” respectively) who perform the duties to be assigned to them by JICA relative to the technical cooperation programs under this Agreement in the Republic of the Philippines.

2. The Government of the Republic of the Philippines shall :

- (1) (a) exempt the Representative and the Staff from taxes including income tax and fiscal charges imposed on or in connection with salaries and any allowances remitted to them from abroad concerning the performance of their duties under this Agreement;
 - (b) exempt the Representative the Staff and their families from consular fees, taxes including value added tax, customs duties and fiscal charges, as well as from the requirements of obtaining certificate of foreign exchange coverage, within six months of their arrival in the Republic of the Philippines, in respect of the importation of:
 - (i) luggage;
 - (ii) personal effects, household effects and consumer goods; and
 - (iii) one motor vehicle every five years per Representative and per Staff assigned to stay in the Republic of the Philippines;
 - (c) exempt the Representative and the Staff who do not import any motor vehicle into the Republic of the Philippines from taxes including value added tax and fiscal charges in respect of the local purchase of one motor vehicle per Representative and per Staff, provided that such motor vehicle is purchased within six months of his / her arrival in the Republic of the Philippines;
 - (d) facilitate the registration of the motor vehicles mentioned in (b) (iii) and (c);
 - (e) permit the Representative, the Staff and their families to enter, leave and sojourn in the Republic of the Philippines for the duration of their assignment therein, offer them the convenience for procedures of alien registration requirements, and exempt them from consular fees;
 - (f) issue identification cards and special passes to the Representative and the Staff to enter airport / seaport beyond passport control point to receive and send off the Experts, members of the Missions, the Senior Volunteers and the JOCV;
 - (g) offer the Representative, the Staff and their families the convenience for acquisition of car driving license; and
 - (h) carry out other measures necessary for the performance of the duties of the Representative and the Staff.
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- (2) (a) exempt the Office from consular fees, taxes including value added tax, customs duties and fiscal charges, as well as from the requirements of obtaining certificate of foreign exchange coverage, in respect of the importation of the equipment,

- machinery, motor vehicles and materials necessary for activities of the Office;
- (b) exempt the Office from taxes including value added tax and fiscal charges in respect of the local purchase of the equipment, machinery, motor vehicles, materials and professional and technical services necessary for the functions of the Office; and
 - (c) exempt the Office from taxes including income tax and fiscal charges imposed on or in connection with office expense remitted from abroad.
3. The motor vehicles mentioned in paragraph 2. shall be subject to payment of taxes including value added tax and customs duties if they are subsequently sold or transferred within the Republic of the Philippines to individuals or organizations not entitled to exemption from such taxes and duties, or similar privileges.
 4. In the event of fire, theft, substantial damage or destruction on the motor vehicles mentioned in paragraph 2., the exemption under this Agreement shall be availed of again at any time during the assignment of the Representative and the Staff.
 5. The Government of the Republic of the Philippines shall accord the Representative, the Staff and their families as well as the Office such privileges, exemptions and benefits as are no less favorable than those accorded to representatives, staff and their families as well as offices of any third country or of any international organization performing a similar mission in the Republic of the Philippines.

Article XII

The Government of the Republic of the Philippines shall take necessary measures to ensure security of the Experts, members of the Missions, the Senior Volunteers, the JOCV, the Representative, the Staff and their families staying in the Republic of the Philippines.

Article XIII

The Government of Japan and the Government of the Republic of the Philippines shall consult with each other in respect of any matter that may arise from or in connection with this Agreement.

Article XIV

1. The provisions of this Agreement shall also apply to the portion to be implemented after the entering into force of this Agreement of the specific technical cooperation

programs which have commenced prior to the entering into force of this Agreement, and to the Experts, members of the Missions, the Senior Volunteers, the JOCV, the Representative, the Staff and their families staying in the Republic of the Philippines as well as to the equipment, machinery, materials and services related to the said portion of the programs.

2. The termination of this Agreement shall neither affect the specific technical cooperation programs being carried out until the date of the completion of the said programs, unless otherwise decides upon by mutual consent between the two Governments, nor affect the privileges, exemptions and benefits accorded to the Experts, members of the Missions, the Senior Volunteers, the JOCV, the Representative, the Staff and their families staying in the Republic of the Philippines for the performance of their duties in connection with the said programs.

Article XV

1. This Agreement shall enter into force on the date of receipt by the Government of Japan of the written notification from the Government of the Republic of the Philippines of the completion of necessary domestic procedures for the entry into force of this Agreement.
2. This Agreement shall remain in force for a period of one year, and shall be automatically renewed every year for another period of one year each, unless either Government has given to the other Government at least six months' written advance notice of its intention to terminate the Agreements.

In witness whereof the undersigned, duly authorized thereto, have signed this Agreement.
Done in duplicate in English at Tokyo on April 4, 2006.

For the Government of Japan:

For the Government of the Republic of the Philippines: