

Customs Cooperation Arrangement

Reaffirming the importance of customs cooperation, especially its usefulness in combatting smuggling and enhancing the security and facilitation of the international trade supply chains, Canada and Japan entered into an enhanced bilateral customs cooperation arrangement in June 2005. Under the terms of this arrangement, both countries will assist each other to ensure proper application of customs laws, as well as to prevent, investigate and repress customs offences. The arrangement is an example of both countries' efforts to increase international cooperation and will provide more opportunities for Canada and Japan to maximize their contributions to the World Customs Organization.

4.3 Overview of Ongoing Collaboration

Building on the basic structures that guide and manage the overall bilateral relationship, Canada and Japan have also developed, over the years, cooperative mechanisms in a wide range of areas to deal with specific areas of key importance. The two countries have focused on enhancing their mutual capacities in innovation and in knowledge-based industries through regulatory cooperation, science and technology cooperation, and investment promotion. This section provides an overview of key areas that form important building blocks of the bilateral cooperative relationship.

Regulatory Cooperation

As tariffs continue to be reduced, regulatory cooperation is becoming increasingly important in helping to ensure the efficient cross-border flow of goods and services. The Economic Framework outlined the importance both countries placed on regulatory cooperation in the context of facilitating commerce and reaffirmed this commitment, *inter alia*, in the context of our