

With a view to advancing commitments undertaken in the MOU, DFAIT and JETRO are making efforts to develop the program of joint investment events, in particular to tailor such outreach to more closely suit specific investment prospects in the various regions of Canada and Japan. The two organizations are also focusing efforts on examining the road ahead in terms of possible joint initiatives to increase awareness of the respective advantages of establishing investment partnerships in both countries.

In addition to these promotional efforts, investment facilitation is a key factor in increasing bilateral investment. Some results of efforts on this front are represented by recently signed instruments, such as the Social Security Agreement and the Cooperation Agreement on Anticompetitive Activities, which will help create an enabling environment to enhance conditions for the Canadian and Japanese private sectors to invest further in each other's country.

### *Tax Convention*

Canada and Japan concluded their existing tax convention in 1986 and amended it in 1999, in order to address the issues of double taxation and fiscal evasion with respect to taxes on income. Since then, both countries have recognized the importance of a continuing dialogue on tax-related issues and an exchange of views on improving the tax convention so that it responds to current business trends.

### *Air Services*

The efficient flow of people, goods and services between Canada and Japan has a significant impact on the bilateral trade and investment relationship. Canada and Japan have had a long-standing air services agreement in place since 1955 and have worked closely over the years to ensure the efficient operation of this agreement. The most recent consultations, which