

ARTICLE 5

Provisions concerning the Applicable Legislation

1. Unless otherwise provided in this Article, a person who works as an employee or a self-employed person in the territory of one Party shall, with respect to that employment or self-employment, be subject only to the legislation of that Party.
2. Subject to paragraph 5 of this Article, where a person who is covered under the legislation of one Party and normally employed in the territory of that Party by an employer with a place of business in that territory is sent by that employer from that territory to work in the territory of the other Party, the employee shall, with respect to that employment, be subject only to the legislation of the first Party as if that employee were working in the territory of the first Party, provided that the period of such detachment is not expected to exceed five years. If the detachment continues beyond five years, the competent authority or competent institution of the second Party may, with the prior concurrence of the competent authority or competent institution of the first Party, grant further exemption of the employee from the legislation of the second Party. For the purpose of this paragraph in the case of an employee who is sent from the territory of Canada by an employer in that territory to a related company of that employer in the territory of Japan, that employer and the related company of that employer shall be deemed to be the same employer, provided that the employment is covered under the legislation of Canada.
3. Paragraph 2 of this Article shall apply where a person who has been sent by an employer from the territory of one Party to the territory of a third State is subsequently sent by that employer from the territory of the third State to the territory of the other Party.
4. Where a person covered under the legislation of one Party, who ordinarily works as a self-employed person in the territory of that Party, works temporarily as a self-employed person in the territory of the other Party, that self-employed person shall, with respect to that self-employment, be subject only to the legislation of the first Party as if that self-employed person were working in the territory of the first Party, provided that the period of such self-employment in the territory of the second Party is not expected to exceed five years. If that self-employment continues beyond five years, the competent authority or competent institution of the second Party may, with the prior concurrence of the competent authority or competent institution of the first Party, grant further exemption of that self-employed person from the legislation of the second Party.