

(Japanese Note)

Budapest, August 23, 2013

Excellency,

I have the honour to refer to paragraph 2 of Article 7 of the Agreement between Japan and Hungary on Social Security which was signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of Japan, the following understanding reached between the Government of Japan and the Government of Hungary:

Where

- (a) (i) an employer with a place of business in the territory of a Contracting State participates directly or indirectly in the management, control or capital of an employer with a place of business in the territory of the other Contracting State, or,
- (ii) an employer with a place of business in the territory of the other Contracting State participates directly or indirectly in the management, control or capital of an employer with a place of business in the territory of a Contracting State; or,
- (b) the same natural person, legal person or any other entity participates directly or indirectly in the management, control or capital of an employer with a place of business in the territory of a Contracting State and an employer with a place of business in the territory of the other Contracting State,

the employer with a place of business in the territory of the other Contracting State referred to in (a) (i), (ii) and (b) above shall be deemed to be respectively a related employer of the employer with a place of business in the territory of a Contracting State referred to in (a) (i), (ii) and (b) above.

I have further the honour to propose that this Note and Your Excellency's Note in reply confirming on behalf of the Government of Hungary the foregoing understanding shall constitute an agreement between the two Governments under paragraph 2 of Article 7 of the said Agreement, which shall enter into force on the same date of the entry into force of the Agreement.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.

Fumio Kishida  
Minister for Foreign Affairs  
of Japan

His Excellency  
Dr. János Martonyi  
Minister of Foreign Affairs  
of Hungary

(Hungarian Note)

Budapest, August 23, 2013

Excellency,

I have the honour to acknowledge receipt of Your Excellency's Note of today's date, which reads as follows:

“(Japanese Note)”

I have further the honour to confirm on behalf of the Government of Hungary the foregoing understanding and to agree that Your Excellency's Note and this Note in reply shall constitute an agreement between the two Governments under paragraph 2 of Article 7 of the said Agreement, which shall enter into force on the same date of the entry into force of the Agreement.

I avail myself of this opportunity to extend to Your Excellency the assurance of my highest consideration.

János Martonyi  
Minister of Foreign Affairs  
of Hungary

His Excellency  
Fumio Kishida  
Minister for Foreign Affairs  
of Japan