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Arbitration by The Tokyo Maritime Arbitration Commission (1)

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Relationship between TOMAC and the Arbitrators

The Tokyo Maritime Arbitration Commission (TOMAC) of the Japan Shipping Exchange, Inc. (JSE) is made up of 165 individuals who are active in business with ability and experience as arbitrators and work for companies in the maritime transport, trade, shipbuilding, steelmaking, insurance, forwarders, shipbrokers and other industries plus 35 others who are scholars and/or lawyers. These 200 members who comprise TOMAC are responsible for the operation of TOMAC and the study of arbitration. Their names are listed as arbitrators in an official roll.

After receiving Statements of Claim by Claimants and Defence by Defendants, the Appointing Commission of TOMAC, based on the documents, carefully reviews those whom it considers best suited to the case, then selects a number of candidate arbitrators from the roll. The criteria for selection include the following important points : that there is no conflict of interest for the candidate arbitrator with regard to either the case itself or the parties involved; that the candidate has sufficient experience to examine the case; and that the candidate possesses the necessary erudition. Normally a board of three arbitrators is selected to review each case. Three groups of candidates are chosen, for example, a group comprised of experts in the law, a group well versed in the relevant business practices, a group of technical experts, etc., to assure the best possible review of each case in all its aspects. TOMAC then discloses the candidates' names to the parties involved, and taking into consideration as much as possible the will of both sides, selects one candidate from each group to sit on the three-member board of arbitrators. From this point on, the board becomes independent of TOMAC and begins its work. The JSE provides two secretariat personnel who are familiar with the administrative work involved in arbitration cases.

Aside from providing such assistance to the board, however, the case proceeds independent of the JSE.

Thus, by the appointment of arbitrators best suited for the fair settlement of each case and backed by secretarial assistants, arbitration can be conducted swiftly, as shown in Table 1.

Table 1 Average Time Period Required for Arbitration by TOMAC—appointed Arbitrators (Month)

Type	Fiscal year	'82	'83	'84	'85
Voyage Charter		10	12	2	12
Time Charter		12	12	3	8
Ship Operation		12	—	6	—
Towage Contract		—	18	16	—
Shipbuilding Contract		13	2	15	14
Ship sale		—	10	2	12
Collision		10	—	—	—
Manning		—	—	—	13
Average		11	11	8	11

Types of Cases Submitted for Arbitration

Voyage charters — numerous cases involving deadfreight and cargo damage. Note that there are no despatch/demurrage disputes.

Time charters — unilateral changes in contracted area or purpose for operation by time charterers, changes in hireage and/or payment conditions, claims for cargo damage, seizure of ship due to default by the charterer to a third party, defaults on purchase agreements.

Bareboat charters — defaults of hire-purchase agreements. Note that due to the wide use of manning contracts bareboat chartering itself is decreasing, resulting in fewer disputes.

Towage contracts — claims for cargo damages, liability of tug for total loss of cargo.

Shipbuilding contracts — consequential damages resulting from the shipper refusing to load chemical or dangerous cargo because of improper design modifications made in the process of construction due to changes in the regulations regarding handling of such cargo made after construction of the ship has actually begun, defaults of guaranteed remedy of defects and compensation for suspended sailings.

Ship sales — defaults in payment.

As indicated above, numerous cases affected by the global downturn in both the maritime transport and shipbuilding industries are being arbitrated.

Resolution of Disputes by Consultation Prior to Arbitration

The cases arbitrated by TOMAC are listed in Table 2.

Table 2. TOMAC—Number of Cases Arbitrated by Fiscal Year. (Figures in parentheses indicate cases involving international cases)

Type	Fiscal Year	'77	'78	'79	'80	'81	'82	'83	'84	'85	'86
Bill of Lading		—	—	—	1 (1)	—	—	—	—	—	—
Voyage Charter		4 (4)	11 (5)	3	6 (1)	8 (2)	4 (2)	5 (5)	1 (1)	3 (2)	2 (1)
Time Charter		3 (2)	1	3	4	3 (2)	5 (2)	2 (1)	2	4 (1)	3 (2)
Bareboat Charter		2	1	1 (1)	—	1	—	—	—	—	—
Ship Operation		—	—	—	2 (2)	—	1	1	—	—	—
Towage Contract		—	—	—	1	—	—	1 (1)	2 (1)	—	2
Shipbuilding Contract		—	2	—	3 (1)	3	1	1	2	1	2
Ship Sale		—	3 (3)	—	3 (2)	3 (2)	—	6 (3)	1 (1)	2 (1)	2
Collision		—	—	—	—	1 (1)	1 (1)	—	—	—	—
Manning		—	—	—	—	1 (1)	—	—	—	1	—
Ship Finance		—	—	—	—	—	—	—	—	—	1
Operation Contract		—	—	—	—	—	—	—	—	—	2
Total		9 (5)	18 (8)	7 (1)	20 (6)	20 (9)	12 (5)	16 (10)	8 (3)	11 (4)	14 (3)

No doubt there will be many individuals who will consider that the number of arbitration cases are few when it is taken into account the amount of marine transport activity in which Japan plays a major role.

The Documentary Committee of the JSE is comprised of businessmen working widely in the maritime business. There are as many as 43 standard contract forms, including BIMCO forms adopted by the Documentary Committee of the JSE. Interpretation of the provisions of these standard contracts and examination of British, American and Japanese judicial precedents to support the interpretation are conducted by JSE's Arbitration and Documentary Department. Thus many parties involved in arbitration problems come to the JSE for consultation before submitting their case to TOMAC. The JSE handles 700 to 800 major and minor inquiries annually, including consultation on the concluding of contracts.

Most of the advising is conducted after listening to both sides, resulting in an immediate change of direction toward a resolution of the dispute in an extremely large number of cases handled by the Arbitration and Documentary Department. The rapid settlement of disputes in this manner, without going to arbitration — much less to court — is a remarkable achievement. Through such endeavors for harmonious mediation, the JSE is working hard for the rapid, inexpensive and true resolution of disputes.

SPECIAL MEASURES LAW CONCERNING THE HANDLING OF LEGAL BUSINESS BY FOREIGN LAWYERS

(tentative translation)

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Chapter I. General Provisions

(Purposes)

Article 1. The purposes of this law are to ensure the stability in relation to international business law affairs and to contribute to the improvement of the handling of legal business concerning Japanese law in foreign countries, by taking, on the basis of mutual assurances, such special measures as opening the way whereby a person who is qualified to become a foreign lawyer can handle legal business concerning foreign law in Japan and regulating the handling of such legal business as in the case of a bengoshi.

(Definitions)

Article 2. In this law, the meaning of the terms listed in the following items shall be set forth in the item concerned:

- (1) bengoshi; this shall mean a bengoshi provided for in the Bengoshi Law (Law No. 205 of 1949).
- (2) foreign lawyer; this shall mean a person who handles legal business as a profession in a foreign country (in the case of a federal country specified by the Ministry of Justice Ordinance, the term “foreign country” shall mean its constituent unit such as a state, territory and others specified by Ministry of Justice Ordinance; hereinafter the same) and who corresponds to a bengoshi above.
- (3) gaikokuho-jimu-bengoshi; this shall mean a person who has obtained the approval provided for in Article 7 and has obtained the registration in the Register provided for in Article 24.
- (4) country of primary qualification; this shall mean the foreign country where a person who has been given the approval provided for in Article 7 acquired the qualification to become a foreign lawyer which served as the basis for such approval.
- (5) law of the country of primary qualification; this shall mean the law which

- is or was effective in the country of primary qualification.
- (6) legal business concerning the law of the country of primary qualification; this shall mean the legal business dealing with a legal case the whole or a major portion of which is subject or is to be subject to the application of the law of the country of primary qualification.
 - (7) specified foreign country; this shall mean a specified foreign country other than the country of primary qualification.
 - (8) law of a specified foreign country; this shall mean the law which is or was effective in a specified foreign country.
 - (9) designated law; this shall mean the law of a specified foreign country which is designated under the provisions of Paragraph 1 of Article 16 for a person who obtained the approval under the provisions of Article 7.
 - (10) legal business concerning the designated law; this shall mean the legal business dealing with a legal case the whole or a major portion of which is subject or is to be subject to the application of the designated law.
 - (11) Japan Federation of Bengoshi Associations; this shall mean the Japan Federation of Bengoshi Associations provided for in the Bengoshi Law.
 - (12) bengoshi association; this shall mean a bengoshi association provided for in the Bengoshi Law.
 - (13) in Japan; this shall mean the place where this law is enforced.

Chapter II. Functions of a Gaikokuho-Jimu-Bengoshi

(Functions)

Article 3. It shall be the functions of a gaikokuho-jimu-bengoshi to perform the legal business concerning the law of the country of primary qualification at the request of the parties concerned or other interested person, or, upon being entrusted by a public agency. However, the performance of the following legal business shall be excluded:

- (1) representation in regard to procedures before a court, public prosecutor's office or other public agency in Japan, or the preparation of documents to be submitted to any such agency in regard to such procedures.
- (2) activities in the capacity of a counsel in a criminal case, activities in the capacity of an attendant in a juvenile protection case before a family court, or legal assistance to a fugitive criminal in an extradition case in connection with a request for the examination of extraditability made with the court.
- (3) expression of an expert opinion or other legal opinion as regards the interpretation or applicability of other laws than the law of the country of primary qualification.
- (4) service of documents in regard to the procedures taken for a foreign court or administrative agency.
- (5) representation in regard to the entrustment of preparation of notarial deeds under Item (5) of Article 22 of the Civil Execution law (Law No. 4 of 1979).
- (6) representation or the preparation of documents (excluding written expert opinions; hereinafter the same in this Article) in regard to a legal case whose primary objective is the acquisition or loss or change of rights concerning real property situated in Japan or of industrial property rights, mining rights or other rights arising upon registration thereof with an administrative agency in Japan or rights related to such rights (hereinafter referred to as "industrial property rights, etc.")

2. Even when it is a legal business that a gaikokuho-jimu-bengoshi may perform within the scope of his functions under the provisions of the preceding paragraph, he shall be required to perform it jointly with a bengoshi or after receiving written advice from a bengoshi in regard to the following matters:
- (1) representation or the preparation of documents in regard to a legal case other than the legal case mentioned in Item (6) of the preceding paragraph, the purpose of which is the acquisition or loss or change of rights concerning real property situated in Japan or industrial property rights, etc.
 - (2) representation or the preparation of documents in regard to a legal case concerning family relations in which a Japanese national is involved as a party.
 - (3) representation or the preparation of documents in regard to a legal case concerning a will or contract of gift to become effective at death which involves a property situated in Japan or a legal case concerning the division or administration of estate or other matters of inheritance which involves a property situated in Japan and owned by a person who resided in Japan at the time of death and in which a Japanese national is involved as a party.

(Prohibition against handling legal business outside the scope of functions)

Article 4. A gaikokuho-jimu-bengoshi shall not perform any legal business outside the scope of the functions prescribed in Paragraph 1 of the preceding Article.

(Legal business concerning designated law)

Article 5. A gaikokuho-jimu-bengoshi may, despite the provisions of the preceding Article, perform legal business concerning designated laws if he has had such laws designated in accordance with the provisions of Paragraph 1 of Article 16 and had the supplementary registration of such laws made in accordance with the provisions of Paragraph 1 of Article 34. However, the legal business listed in Items (1), (2) and (4) to (6) of Paragraph 1 of Article 3

and the expression of an expert opinion or other legal opinion regarding the interpretation or applicability of any law other than designated laws shall be excluded.

2. The provisions of Paragraph 2 of Article 3 shall apply *mutatis mutandis* in cases where a *gaikokuho-jimu-bengoshi* performs the legal business concerning designated laws in accordance with the provisions of the preceding paragraph.

(Application *mutatis mutandis* of Bengoshi Law, etc.)

Article 6. The provisions of Articles 1 and 2 of the Bengoshi Law shall apply *mutatis mutandis* to a *gaikokuho-jimu-bengoshi*.

2. The provisions of Article 72 of the Bengoshi Law shall not apply to *gaikokuho-jimu-bengoshi*.

Chapter III. Qualification to Become a Gaikokuho-Jimu-Bengoshi

Section 1. Approval by the Minister of Justice

(Qualification to become a gaikokuho-jimu-bengoshi)

Article 7. A person who is qualified to become a foreign lawyer may be qualified to become a gaikokuho-jimu-bengoshi only when he has obtained the approval of the Minister of Justice.

(Grounds for disqualification)

Article 8. The provisions of Article 6 of the Bengoshi Law shall apply mutatis mutandis to the qualification to become a gaikokuho-jimu-bengoshi.

(Application for approval)

Article 9. A person who intends to obtain the approval provided for in Article 7 (hereinafter referred to as “approval”) shall submit to the Minister of Justice a written application for approval which contains his name, date of birth, nationality, address, date of acquisition of qualification to become a foreign lawyer, name of the foreign country in which he acquired such qualification, his title as such foreign lawyer and such other matters as are to be stipulated by the Ministry of Justice Ordinance.

2. A written application for approval mentioned in the preceding paragraph shall be accompanied by the document verifying the acquisition of qualification to become a foreign lawyer, documents verifying that all the standards set forth in each item of Paragraph 1 of the next Article are met and other documents provided for by the Ministry of Justice Ordinance.
3. A person who intends to obtain the approval shall pay a fee in the amount which shall be stipulated by the Cabinet Order taking actual expenses into consideration.

(Standards for approval)

Article 10. The Minister of Justice shall not give approval to those who make the application in accordance with the provisions of Paragraph 1 of the preceding Article (hereinafter referred to as “applicant for approval”) unless they conform with the standards listed below:

- (1) the applicant is qualified to become a foreign lawyer and has the experience of having engaged in practice as a foreign lawyer in the foreign country where he acquired such qualification for five years or more after acquiring it.
 - (2) he does not come under any one of the following categories:
 - (a) a person who has been sentenced to a punishment under any law or regulation, etc. of a foreign country which corresponds to imprisonment without labor or heavier penalties under Japanese laws.
 - (b) a person who has been given a court decision under any law or regulation, etc. of a foreign country which corresponds to a decision of dismissal by the Impeachment Court under Japanese laws.
 - (c) a person who has been disciplined by a punishment under any law or regulation, etc. of a foreign country which corresponds to a disciplinary action prescribed in Item (3) of Article 6 of the Bengoshi Law, in cases where three years have not passed after the imposition of that punishment.
 - (d) a person who is being treated under any law or regulation, etc. of a foreign country as a person similar to an incompetent or quasi-incompetent or a bankrupt who has not been reinstated under Japanese laws.
 - (3) he has the will to perform his functions faithfully and has a plan, residence and financial basis for performing such functions properly and steadily and also has the ability to compensate for damages which he may cause to his clients.
2. Even in cases where an applicant for approval meets the standards set forth in all the items of the preceding paragraph, the Minister of Justice shall not be

in a position to give approval unless substantially equivalent treatment as accorded by this Law is given in the foreign country mentioned in Item (1) of the same paragraph to a person who is qualified to become a bengoshi.

3. The Minister of Justice shall ask the opinion of the Japan Federation of Bengoshi Associations before he gives the approval.

(Public notice of approval, etc.)

Article 11. When the Minister of Justice has given his approval, he shall, without delay, notify in writing the applicant for approval and the Japan Federation of Bengoshi Associations to that effect and puts up a public notice in the Official Gazette.

2. The approval shall be effective as from the date of the public notice mentioned in the preceding paragraph.

(Lapse of approval)

Article 12. In cases where a person who has obtained the approval does not make the request provided for in Paragraph 1 of Article 25 within six months from the day following the date of the public notice provided for in Paragraph 1 of the preceding Article, the approval shall lose its effect.

(Reports, etc.)

Article 13. The Minister of Justice may, when he deems it necessary, demand reports or data from the person who has obtained the approval, on the matters concerning the standards set forth in any of the items of Paragraph 1 of Article 10 or the matters concerning the treatment given by the country of primary qualification to a person who is qualified to become a bengoshi.

2. The Minister of Justice may, when he deems it necessary for handling the business concerning approval, refer to and demand from any public office or public or private organization information on necessary matters.

(Rescission of approval)

Article 14. The Minister of Justice shall, when a person who has obtained the approval comes under any one of the following items, rescind his approval.

- (1) when he has lost the qualification to become a foreign lawyer in the country of primary qualification.
 - (2) when he has come under any one of the items of Article 6 of the Bengoshi Law (except Item (2)) which applies mutatis mutandis pursuant to Article 8 of the Law.
 - (3) when his registration has been refused under the provisions of Article 26.
 - (4) when his registration has been rescinded under the provisions of Paragraph 2 of Article 30.
2. The Minister of Justice may, when a person who has obtained the approval comes under any one of the following items, rescind his approval:
- (1) when it is found that he has made a false statement regarding an important matter or omitted the statement of an important fact in the written application for approval under Paragraph 1 of Article 9 or in a document attached thereto under Paragraph 2 of the same Article.
 - (2) when he no longer meets the standards set forth in Item (2) of Paragraph 1 of Article 10.
 - (3) when such rescission is deemed unavoidable to prevent the loss which his clients are likely to suffer, due to the marked deterioration of his business operations or financial condition.
 - (4) when he has failed to submit reports or data under Paragraph 1 of the preceding Article on the matters concerning the standards set forth in each item of Paragraph 1 of Article 10 or submitted a false report or data.
 - (5) when he has had his registration rescinded upon his own request under the provisions of Article 29.
3. In cases where a person who is qualified to become a bengoshi can no longer receive in a foreign country substantially equivalent treatment as accorded by this Law, the Minister of Justice may, as regards those persons who have obtained the approval with that country as the country of primary qualifica-

tion, rescind his approval for them.

4. The provisions of Paragraph 3 of Article 10 and Article 11 shall apply *mutatis mutandis* to the rescission of approval mentioned in the preceding three paragraphs.

(Giving an opportunity for explanation, etc.)

Article 15. The Minister of Justice shall, before taking any action under the provisions of Item (1) of Paragraph 1, Items (1) to (4) of Paragraph 2 or Paragraph 3 of the preceding Article, notify the person who is to be subject to such action to that effect beforehand and give him an opportunity to make an explanation and submit data on the matter within a reasonable period of time.

**Section 2. Designation of the Law of a
Specified Foreign Country**

(Designation)

Article 16. In cases where a person who has obtained the approval comes under one of the following items, the Minister of Justice may designate the law of a specified foreign country for him:

- (1) when such person is qualified to become a foreign lawyer of the specified foreign country.

- (2) when such person has the same level of learning concerning the law of a specified foreign country as a person who is qualified to become a foreign lawyer of that country and has five or more years of practice experience in regard to the handling of legal business concerning such law.

2. The provisions of Paragraph 3 of Article 10 and Article 11 shall apply *mutatis mutandis* to the designation provided for in the preceding paragraph.

(Application for designation)

Article 17. In cases where a person who has obtained the approval wants the

designation under Paragraph 1 of the preceding Article (hereinafter referred to as “designation”) to be made for him, he shall submit a written application for designation to the Minister of Justice.

2. The written application for designation mentioned in the preceding paragraph shall be accompanied by a document verifying that he comes under one of the conditions set forth in each item of Paragraph 1 of the preceding Article and other documents as stipulated by the Ministry of Justice Ordinance.
3. A person who wants the designation to be made for him shall pay a fee, in the amount which shall be stipulated by the Cabinet Order taking actual expenses into consideration.

(Lapse of designation)

Article 18. In cases where the approval loses its effect or is rescinded, the designation shall lose its effect. It shall also lose its effect in cases where the person who has had the designation made for him does not make the request provided for in Paragraph 1 of Article 33 within six months from the day following the date of the public notice under Paragraph 1 of Article 11 which applies *mutatis mutandis* pursuant to the provisions of Paragraph 2 of Article 16.

(Reports, etc.)

Article 19. The Minister of Justice may, when he deems it necessary, require that the person who has had the designation made for him should submit reports or data on the matters concerning the conditions set forth in each item of Paragraph 1 of Article 16.

2. The provisions of Paragraph 2 of Article 13 shall apply *mutatis mutandis* to the handling of the business concerning designation.

(Rescission of designation)

Article 20. The Minister of Justice shall, when a person who has had the designation made for him has lost the qualification mentioned in Item (1) of Paragraph 1 of Article 16, rescind the designation.

2. The Minister of Justice may, when a person who has had the designation made for him comes under any one of the following items, rescind the designation:
 - (1) when it is found that he has made a false statement regarding an important matter or omitted the statement of an important fact in the written application for designation under Paragraph 1 of Article 17 or in a document attached thereto under Paragraph 2 of the same Article.
 - (2) when he has failed to submit reports or data under Paragraph 1 of the preceding Article or submitted a false report or data.
3. The provisions of Paragraph 3 of Article 10, Article 11 and Article 15 shall apply *mutatis mutandis* to the rescission of designation provided for in the preceding two paragraphs.

Chapter IV. Registration, Practice and Supervision of a Gaikokuho-Jimu-Bengoshi

Section 1. General Provisions

(Objectives of Bengoshi Associations and the Japan Federation of Bengoshi Associations, etc.)

Article 21. A gaikokuho-jimu-bengoshi shall be regarded as a bengoshi for purposes of the application of the provisions of Paragraph 1 of Article 31, Article 41 and Paragraph 2 of Article 42 of the Bengoshi Law (including the cases where this paragraph applies mutatis mutandis pursuant to the provisions of Article 50 of the same Law) and also Paragraph 2 of Article 45, Article 48 and Article 49 of the same Law.

(Special provisions to be included in the Regulations of Bengoshi Associations)

Article 22. The regulations of Bengoshi Associations shall provide for the following matters in accordance with the regulations of the Japan Federation of Bengoshi Associations, in addition to those listed in each item of Paragraph 2 of Article 33 of the Bengoshi Law:

- (1) matters listed in Items (3), (9), (15) and (16) of Paragraph 2 of Article 33 of the Bengoshi Law as are applied to a gaikokuho-jimu-bengoshi.
- (2) provisions concerning the maintenance of discipline of a gaikokuho-jimu-bengoshi.
- (3) provisions concerning the recommendation of a gaikokuho-jimu-bengoshi to a public agency or others.
- (4) provisions concerning the mediation of disputes as regards the practice of a gaikokuho-jimu-bengoshi.
- (5) provisions concerning a request for the taking of disciplinary action against a gaikokuho-jimu-bengoshi.
- (6) other necessary provisions concerning a gaikokuho-jimu-bengoshi.

(Special provisions to be included in the Regulations of the Japan Federation of Bengoshi Associations)

Article 23. The regulations of the Japan Federation of Bengoshi Associations shall provide for the following matters, in addition to those listed in each item of Paragraph 2 of Article 46 of the Bengoshi Law:

- (1) matters listed in Items (1) to (3) of the preceding Article.
- (2) provisions concerning registration, transfer of registration and rescission of registration in the Register of Gaikokuho-Jimu-Bengoshi.
- (3) provisions concerning the Gaikokuho-Jimu-Bengoshi Registration Screening Board.
- (4) provisions concerning the discipline of a gaikokuho-jimu-bengoshi, the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee and the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee.
- (5) other necessary provisions concerning a gaikokuho-jimu-bengoshi.

Section 2. Registration of a Gaikokuho-Jimu-Bengoshi

Sub-Section 1. Register of Gaikokuho-Jimu-Bengoshi

(Registration)

Article 24. A person who is qualified to become a gaikokuho-jimu-bengoshi shall be required, for becoming a gaikokuho-jimu-bengoshi, to obtain registration of his name, date of birth, nationality, name of the country of primary qualification, address in Japan, office, name of the bengoshi association to which he belongs and other matters as are to be stipulated by the regulations of the Japan Federation of Bengoshi Associations, in the Register of Gaikokuho-Jimu-Bengoshi kept by the Japan Federation of Bengoshi Associations.

2. Registration in the Register of Gaikokuho-Jimu-Bengoshi shall be made by the Japan Federation of Bengoshi Associations.

(Request for registration, etc.)

Article 25. A person who intends to obtain registration under the provisions of the preceding Article (hereinafter referred to as “registration”) shall submit a written request for registration to the Japan Federation of Bengoshi Associations through the bengoshi association to which he intends to be admitted.

2. The written request for registration mentioned in the preceding paragraph shall include statements on the following matters and shall be accompanied by a document verifying that he is qualified to become a gaikokuho-jimu-bengoshi and other documents as are to be stipulated by the regulations of the Japan Federation of Bengoshi Associations:

(1) the matters to be registered.

(2) the date on which approval was obtained.

(3) honors and punishments, if any, which he has received as a foreign lawyer, and evaluation of his professional career as a foreign lawyer by the supervisory organ of his practice.

(4) other matters as are to be stipulated by the regulations of the Japan Federation of Bengoshi Associations.

3. The bengoshi association which has received the submission of a written request for registration mentioned in Paragraph 1 shall promptly transmit it to the Japan Federation of Bengoshi Associations.

4. The bengoshi association mentioned in the preceding paragraph may express its opinions to the Japan Federation of Bengoshi Associations as regards the request for registration provided for in Paragraph 1 (hereinafter referred to as “request for registration”).

(Refusal of registration)

Article 26. In cases where it is feared that a person who has made a request for registration would damage the order or reputation of the bengoshi association or the Japan Federation of Bengoshi Associations or where he comes under one of the following items and it is feared that it would be inappropriate to permit him to practice as a gaikokuho-jimu-bengoshi, the Japan Federa-

tion of Bengoshi Associations may refuse his registration, based on the decision of the Gaikokuho-Jimu-Bengoshi Registration Screening Board:

- (1) when he is mentally or physically handicapped.
- (2) when he has made the request after the lapse of three years from the date when he was subject to the action stipulated in Item (3) of Article 6 of the Bengoshi Law which applies *mutatis mutandis* pursuant to the provisions of Article 8.

(Notice on registration)

Article 27. In cases where the Japan Federation of Bengoshi Associations has received a request for registration, it shall notify in writing the person who has made the request for registration, the bengoshi association which has transmitted it and the Minister of Justice to the effect that his registration has been made or that it has been refused, together with the reason for refusal, as the case may be.

(Request for transfer of registration, etc.)

Article 28. In cases where a gaikokuho-jimu-bengoshi intends to change the bengoshi association to which he belongs, he shall submit a written request for the transfer of registration to the Japan Federation of Bengoshi Associations through the bengoshi association to which he intends to be admitted anew.

2. When a gaikokuho-jimu-bengoshi makes a request for the transfer of registration under the provisions of the preceding paragraph (hereinafter referred to as “request for the transfer of registration”), he shall report such fact to the bengoshi association to which he now belongs.
3. The provisions of Paragraph 3 and 4 of Article 25 and the preceding two Articles shall apply *mutatis mutandis* to a request for the transfer of registration.

(Request for rescission of registration)

Article 29. In cases where a gaikokuho-jimu-bengoshi intends to cease his

practice, he shall make a request to the Japan Federation of Bengoshi Associations for the rescission of his registration through the bengoshi association to which he belongs.

(Rescission of registration)

Article 30. The Japan Federation of Bengoshi Associations shall rescind the registration of a gaikokuho-jimu-bengoshi when he comes under any one of the following items.

- (1) he has come to fall under any item (except Item (2)) of Article 6 of the Bengoshi Law which applies mutatis mutandis pursuant to the provisions of Article 8 of this Law.
- (2) he has made a request for the rescission of registration in accordance with the provisions of the preceding Article.
- (3) he has received an order of secession.
- (4) the approval has been rescinded pursuant to the provisions of Items (1) to (4) of Paragraph 2 or Paragraph 3 of Article 14.
- (5) he has died.

2. The Japan Federation of Bengoshi Associations may rescind the registration of a gaikokuho-jimu-bengoshi, based on the Gaikokuho-Jimu-Bengoshi Registration Screening Board in cases where he has made a false statement as regards any of the matters mentioned in each item of Article 26 or he has violated the provisions of Article 48.

3. In cases where the Japan Federation of Bengoshi Associations has rescinded the registration under the provisions of Items (1) to (4) of Paragraph 1 or of the preceding paragraph, it shall notify in writing the gaikokuho-jimu-bengoshi concerned, the bengoshi association to which he belonged until then and the Minister of Justice, to that effect, together with the reasons therefor.

(Reporting the grounds for the rescission of registration)

Article 31. In cases where a bengoshi association finds that there are grounds for rescinding the registration of a gaikokuho-jimu-bengoshi who belongs to it,

it shall report such fact promptly to the Japan Federation of Bengoshi Associations.

(Public announcement of registration, etc.)

Article 32. In cases where the Japan Federation of Bengoshi Associations has effected registration, transfer of registration or rescission of registration, it shall publicly announce such fact in the Official Gazette promptly.

(Request for supplementary registration of designated law)

Article 33. In cases where a gaikokuho-jimu-bengoshi intends to have the designated law registered as a supplement to his registration, he shall submit a written request for the supplementary registration of the designated law to the Japan Federation of Bengoshi Associations through the bengoshi association to which he belongs.

2. The written request for the supplementary registration of the designated law mentioned in the preceding paragraph shall include statements on the matters stipulated by the regulations of the Japan Federation of Bengoshi Associations and it shall be accompanied by a document verifying that the designation has been made.
3. The provisions of Paragraph 3 of Article 25 shall apply mutatis mutandis to the transmission of the written request for the supplementary registration of the designated law mentioned in Paragraph 1.

(Supplementary registration of designated law)

Article 34. The Japan Federation of Bengoshi Associations shall, upon receipt of the request provided for in the preceding Article, promptly register the designated law concerned as a supplement to the registration of the gaikokuho-jimu-bengoshi concerned.

2. The provisions of Article 27 shall apply mutatis mutandis to the supplementary registration made in accordance with the provisions of the preceding paragraph.

(Deletion of supplementary registration of designated law)

Article 35. The Japan Federation of Bengoshi Associations shall delete the supplementary registration of the designated law concerned in cases where the registration has been rescinded.

(Public announcement of supplementary registration of designated law, etc.)

Article 36. The provisions of Article 32 shall apply mutatis mutandis to the supplementary registration of a designated law and the deletion of such registration.

**Sub-Section 2. Gaikokuho-Jimu-Bengoshi
Registration Screening Board**

(Establishment)

Article 37. There shall be established the Gaikokuho-Jimu-Bengoshi Registration Screening Board within the Japan Federation of Bengoshi Associations.

2. The Gaikokuho-Jimu-Bengoshi Registration Screening Board shall, upon request of the Japan Federation of Bengoshi Associations, conduct necessary examination concerning requests for the registration of gaikokuho-jimu-bengoshi, requests for the transfer of registration, requests for the rescission of registration provided for in Article 29 and the rescission of registration provided for in Paragraph 2 of Article 30.

(Organization)

Article 38. The Gaikokuho-Jimu-Bengoshi Registration Screening Board shall be composed of a president and thirteen members.

2. The president shall be designated by the President of the Japan Federation of Bengoshi Associations from among the Vice-Presidents of the Japan Federation of Bengoshi Associations.

3. The President of the Japan Federation of Bengoshi Associations shall commission eight members from among bengoshi, three from among judges, public prosecutors and persons of learning and experience, with one from each, and two from among government officials. However, the members who are a judge, public prosecutor or government officials shall be commissioned on the recommendation of the Supreme Court, the Prosecutor General or the Minister of Justice, respectively, and the other members, on the decision of the organ of the Japan Federation of Bengoshi Associations stipulated by the regulations of the Japan Federation of Bengoshi Associations.
4. The term of office of a member shall be two years. However, the term of office of a member appointed to fill a vacancy shall be the remaining term of office of his predecessor.
5. The Gaikokuho-Jimu-Bengoshi Registration Screening Board shall have thirteen reserve members.
6. The provisions of Paragraph 3 and 4 above and Paragraph 3 of Article 53 of the Bengoshi Law shall apply mutatis mutandis to the reserve members mentioned in the preceding paragraph.
7. The provisions of Article 54 of the Bengoshi Law shall apply mutatis mutandis to the president of the Gaikokuho-Jimu-Bengoshi Registration Screening Board and the provisions of Paragraph 2 of the same Article, to the members and reserve members of the Gaikokuho-Jimu-Bengoshi Registration Screening Board.

(Procedure of examination)

- Article 39. The provisions of Paragraph 1 of Article 55 of the Bengoshi Law shall apply mutatis mutandis to the procedure of the examination conducted by the Gaikokuho-Jimu-Bengoshi Registration Screening Board.
2. In cases where the Gaikokuho-Jimu-Bengoshi Registration Screening Board makes a decision approving the refusal of a request for registration or for the transfer of registration or approving the rescission of registration provided for in Paragraph 2 of Article 30, it shall notify the party concerned to that effect

beforehand and give him an opportunity to make an explanation and submit data on the matter.

**Sub-Section 3. Admission to and
Secession from Bengoshi Association and
the Japan Federation of Bengoshi Associations**

(Admission to and secession from a bengoshi association and the Japan Federation of Bengoshi Associations)

Article 40. A person who has had the registration made for him shall be admitted to the bengoshi association concerned and the Japan Federation of Bengoshi Associations as of the time of his registration.

2. A person who has had the transfer of his registration made for him shall be admitted to the bengoshi association concerned as of the time of the transfer of his registration and thereby secede from the bengoshi association to which he belonged until then.
3. A person who has had his registration rescinded upon his request in accordance with the provisions of Article 29 shall secede from the bengoshi association to which he belongs and the Japan Federation of Bengoshi Associations as of the time of the rescission.

Article 41. In cases where bengoshi association are merged, a gaikokuho-jimu-bengoshi who belongs to the bengoshi association which is dissolved for the merger shall automatically be admitted to the bengoshi association which continues to exist after the merger or is established by the merger.

2. The provisions of Paragraph 1 of Article 28 shall apply mutatis mutandis in the case of the preceding paragraph.

(Obligation to observe regulations)

Article 42. A gaikokuho-jimu-bengoshi shall be required to observe the provisions concerning gaikokuho-jimu-bengoshi set forth in the regulations of the

bengoshi association to which he belongs and of the Japan Federation of Bengoshi Associations.

(Voting right of a gaikokuho-jimu-bengoshi)

Article 43. In cases where the bengoshi association to which a gaikokuho-jimu-bengoshi belongs or the Japan Federation of Bengoshi Associations convenes a general meeting to deliberate on the establishment, revision or abolition of its regulations, in regard to the matters listed in each item of Article 22 or Article 23, the gaikokuho-jimu-bengoshi may attend such meeting, express his opinions and participate in the voting.

**Section 3. Rights and Obligations of a
Gaikokuho-Jimu-Bengoshi**

(Indication of status as a gaikokuho-jimu-bengoshi)

Article 44. A gaikokuho-jimu-bengoshi shall use the title of a gaikokuho-jimu-bengoshi when he performs his business and append to such title the name of the country of primary qualification.

(Gaikokuho-jimu-bengoshi's office)

Article 45. The office of a gaikokuho-jimu-bengoshi shall be named gaikokuho-jimu-bengoshi-jimusho.

2. The name of the office of a gaikokuho-jimu-bengoshi shall include the names of all or one or more of the gaikokuho-jimu-bengoshi who compose the office and shall not use the name of any other individual or organization.
3. Notwithstanding the provisions of the preceding two paragraphs, a gaikokuho-jimu-bengoshi may use the name of the office of a bengoshi when he is employed by the bengoshi.
4. The office of a gaikokuho-jimu-bengoshi shall be established within the district where the bengoshi association to which he belongs is situated.

5. A gaikokuho-jimu-bengoshi shall not establish more than one office, under any name, in Japan.

(Indication of the law of the country of primary qualification and of designated laws)

Article 46. A gaikokuho-jimu-bengoshi shall be required to display a sign indicating the law of the country of primary qualification and designated laws, if any, at a place easily visible to the public inside his office, under the provisions of the regulations of the Japan Federation of Bengoshi Associations.

2. Besides the display of a sign under the preceding paragraph, necessary matters concerning the indication of the law of the country of primary qualification and of designated laws shall be stipulated by the regulations of the Japan Federation of Bengoshi Associations.

(Use of the title of a foreign lawyer, etc)

Article 47. A gaikokuho-jimu-bengoshi may, in performing his business, use the title of a foreign lawyer in his country of primary qualification, only when he appends it to his title of gaikokuho-jimu-bengoshi and the name of his country of primary qualification.

2. A gaikokuho-jimu-bengoshi may, in performing his business, use the name of a juristic person, partnership or other business entity of his country of primary qualification which has as its object the conduct of legal business and to which he belongs, only when he appends it to his name and the name of his office in the following cases:
 - (1) when there is no other gaikokuho-jimu-bengoshi who uses the name of the business entity concerned.
 - (2) when he has his office in common with another gaikokuho-jimu-bengoshi in cases where the latter is already using the name of the business entity concerned.

(Obligation of residence)

Article 48. A gaikokuho-jimu-bengoshi shall be required to stay in Japan for not less than a hundred and eighty days per year.

2. In cases where a gaikokuho-jimu-bengoshi leaves Japan and is at a place outside Japan due to his own or his relative's injury or illness or other unavoidable circumstances, the period for which he is at such place outside Japan shall be regarded as the period of his stay in Japan for purposes of the application of the provisions of the preceding paragraph.

(Prohibition of employment of a bengoshi, etc.)

Article 49. A gaikokuho-jimu-bengoshi shall not employ a bengoshi.

2. A gaikokuho-jimu-bengoshi shall not, under a partnership or other kind of agreement, run a joint enterprise with a specific bengoshi which has as its object the conduct of legal business, or receive a share of the fees or other profits which a specific bengoshi gains for the performance of legal business.

(Application mutatis mutandis of the Bengoshi Law, etc.)

Article 50. The provisions of Article 23 to 30 of the Bengoshi Law shall apply mutatis mutandis to a gaikokuho-jimu-bengoshi.

2. The provisions of Paragraph 2 of Article 74 of the Bengoshi Law shall not apply to a gaikokuho-jimu-bengoshi.

Section 4. Discipline of a Gaikokuho-Jimu-Bengoshi

Sub-Section 1. Disciplinary Action

(Grounds for disciplinary action and the organ empowered to take disciplinary action)

Article 51. A gaikokuho-jimu-bengoshi shall be subject to disciplinary action in cases where he violates this Law or any of the provisions pertaining to a

gaikokuho-jimu-bengoshi set forth in the regulation of the bengoshi association to which he belongs or of the Japan Federation of Bengoshi Associations, or damages the order or reputation of the bengoshi association to which he belongs or of the Japan Federation of Bengoshi Associations, or misbehaves himself in a manner impairing the dignity of a gaikokuho-jimu-bengoshi, whether in the conduct of his business or not.

2. Disciplinary action shall be taken by the Japan Federation of Bengoshi Associations, based on the decision of the Gaikokuho-Jimu-Bengoshi Disciplinary Action Committee.

(Kinds of disciplinary action)

Article 52. There shall be four kinds of disciplinary action as follows:

- (1) reprimand
- (2) suspension of practice for not more than two years
- (3) order to secede from the bengoshi association
- (4) disbarment

(Requests for disciplinary action, investigation and examination)

Article 53. Any person who believes that there are grounds for disciplining a gaikokuho-jimu-bengoshi may make a request for disciplinary action to the Japan Federation of Bengoshi Associations through the bengoshi association to which the said gaikokuho-jimu-bengoshi belongs, attaching thereto an explanation of such grounds.

2. In cases where a bengoshi association believes that there are grounds for disciplining a gaikokuho-jimu-bengoshi who belongs to it or where there has been a request under the preceding paragraph, it may cause its discipline maintenance committee established under the provisions of Paragraph 1 of Article 70 of the Bengoshi Law to make an investigation. If, in this case, the discipline maintenance committee deems it appropriate to discipline the gaikokuho-jimu-bengoshi, the bengoshi association shall make a request for disciplinary action to the Japan Federation of Bengoshi Associations, attaching thereto the results of the investigation made by the committee and its opin-

ions.

3. In cases where the Japan Federation of Bengoshi Associations believes that there are grounds for disciplining a gaikokuho-jimu-bengoshi or where it has received a request under Paragraph 1, it shall cause the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee to make an investigation of the matter. However, this need not apply in cases where investigation is being made under the preceding paragraph as regards the same ground.
4. The Japan Federation of Bengoshi Associations shall, when the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee has found after the investigation under the preceding paragraph that it would be appropriate to discipline a gaikokuho-jimu-bengoshi or when the request under Paragraph 2 has been made, refer the matter to the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee for its examination.
5. In cases where the Japan Federation of Bengoshi Associations disciplines a gaikokuho-jimu-bengoshi who is the object of the request under Paragraph 1 or 2 or where it has decided not to discipline the gaikokuho-jimu-bengoshi, it shall notify the person who has made the request under Paragraph 1 or the bengoshi association which has made the request under Paragraph 2 to that effect.
6. The provisions of Paragraph 1 of Article 55 of the Bengoshi Law shall apply *mutatis mutandis* to the procedure of investigation made under Paragraph 2 and 3.

(Application *mutatis mutandis* of the Bengoshi Law)

- Article 54. The provisions of Article 63 of the Bengoshi Law shall apply *mutatis mutandis* to a gaikokuho-jimu-bengoshi who has been subject to disciplinary action and the provisions of Article 64 of the same Law, to the procedure for disciplining a gaikokuho-jimu-bengoshi.

**Sub-Section 2. Gaikokuho-Jimu-Bengoshi Disciplinary
Actions Committee and Gaikokuho-Jimu-Bengoshi Discipline
Maintenance Committee**

(Establishment of Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee)

Article 55. There shall be established the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee within the Japan Federation of Bengoshi Associations.

2. The Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee shall, upon request of the Japan Federation of Bengoshi Associations, conduct necessary examination concerning the disciplinary action to be taken against a gaikokuho-jimu-bengoshi.

(Organization)

Article 56. The Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee shall be composed of fifteen members.

2. The President of the Japan Federation of Bengoshi Associations shall commission eight members from among bengoshi, six from among judges, public prosecutors and government officials, with two from each, and one from among persons of learning and experience. However, the members who are judges, public prosecutors or government officials shall be commissioned on the recommendation of the Supreme Court, the Prosecutor General or the Minister of Justice, respectively, and the other members, on the decision of the organ of the Japan Federation of Bengoshi Associations stipulated by the regulations of the Japan Federation of Bengoshi Associations.
3. The Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee shall have a chairman, who shall be elected by mutual vote from among its members.
4. The provisions of Paragraph 4 of Article 38 shall apply mutatis mutandis to the term of office of the members of the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee.

5. The Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee shall have fifteen reserve members.
6. The provisions of Paragraph 2 above and Paragraph 4 of Article 38 of this Law and Paragraph 3 of Article 53 of the Bengoshi Law shall apply mutatis mutandis to the reserve members mentioned in the preceding paragraph. In this case, the word “president” in Paragraph 3 of the same Article shall read “chairman”.
7. The provisions of Article 54 of the Bengoshi Law shall apply mutatis mutandis to the chairman of the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee and the provisions of Paragraph 2 of the same Article, to the members and reserve members of the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee. In this case, the word “president” in the same Article shall read “chairman”.

(Procedure for examination)

Article 57. The provisions of Paragraph 1 of Article 55, Paragraphs 1 and 2 of Article 67 and Article 68 of the Bengoshi Law shall apply mutatis mutandis to the procedure for examination by the Gaikokuho-Jimu-Bengoshi Disciplinary Actions Committee.

(Establishment of Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee, etc.)

Article 58. There shall be established the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee within the Japan Federation of Bengoshi Associations.

2. The Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee shall conduct the investigations mentioned in Paragraph 3 of Article 53.
3. The Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee shall be composed of several members.
4. The members shall be commissioned by the President of the Japan Federation of Bengoshi Associations from among judges, public prosecutors, govern-

ment officials and persons of learning and experience. However, the members who are judges, public prosecutors or government officials shall be commissioned on the recommendation of the Supreme Court, the Prosecutor General or the Minister of Justice, respectively, and the other members, on the decision of the organ of the Japan Federation of Bengoshi Associations stipulated by the regulations of the Japan Federation of Bengoshi Associations.

5. The Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee shall have a chairman, who shall be elected by mutual vote from among its members.
6. The provisions of Paragraph 4 of Article 38 shall apply mutatis mutandis to the term of office of the members of the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee.
7. The Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee shall have several reserve members.
8. The provisions of Paragraph 4 above and Paragraph 4 of Article 38 of this Law and Paragraph 3 of Article 53 of the Bengoshi Law shall apply mutatis mutandis to the reserve members mentioned in the preceding paragraph. In this case, the word “president” in Paragraph 3 of the same Article shall read “chairman”.
9. The provisions of Article 54 of the Bengoshi Law shall apply mutatis mutandis to the chairman of the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee and the provisions of Paragraph 2 of the same Article, to the members and reserve members of the Gaikokuho-Jimu-Bengoshi Discipline Maintenance Committee. In this case, the word “president” in the same Article shall read “chairman”.

Chapter V. Miscellaneous Provisions

(Restriction of complaints)

Article 59. Any complaint under the Law concerning the Examination of Complaints against Dispositions made by Administrative Organs (Law No. 160 of 1962) may not be filed, in regard to a disposition made by the Japan Federation of Bengoshi Associations under this Law.

(Filing of lawsuit)

Article 60. A person who has had his registration refused under the provisions of Article 26, a person who has had the transfer of his registration refused under the provisions of Article 26 which applies mutatis mutandis pursuant to Paragraph 3 of Article 28, a person who has had his registration rescinded under the provisions of Paragraph 2 of Article 30, or a person who has been subject to disciplinary action under the provisions of Article 51 may file a suit with the Tokyo High Court for the rescission of the disposition concerned.

2. A person who has made a request for registration or for transfer of registration may file a suit as stipulated in the preceding paragraph, regarding his registration or transfer of registration as refused, in cases where the Japan Federation of Bengoshi Associations does not make any disposition of his request even after the lapse of five months from the day following the date of his request.

(Prohibition of false representation by a person who is not a gaikokuho-jimu-bengoshi)

Article 61. A person who is not a gaikokuho-jimu-bengoshi shall not post a sign indicating, or indicate in writing, that he is a gaikokuho-jimu-bengoshi or that his office is a gaikokuho-jimu-bengoshi-jimusho.

(Delegation to Ministry of Justice Ordinance)

Article 62. Besides the matters provided for in this Law, the procedures concerning approval and rescission thereof, and designation and rescission thereof and other matters required for the enforcement of the provisions of Chapter III shall be stipulated by the Ministry of Justice Ordinance.

Chapter VI. Penal Provisions

Article 63. In cases where a gaikokuho-jimu-bengoshi performs any of the legal business listed in the following items, in connection with his practice, he shall be punished by imprisonment with labor for not more than two years or a fine not exceeding one million yen:

- (1) representation in regard to procedures, for a lawsuit (except a criminal case), a noncontentious case, a family court case concerning family affairs, a case involving execution related to civil matters or other civil cases, in court in Japan.
- (2) representation in regard to procedures for a criminal case, activities in the capacity of a counsel in a criminal case, activities in the capacity of an attendant in a juvenile protection case before a family court or assistance to a fugitive criminal in an extradition case in connection with a request for the examination of extraditability made with the court.
- (3) representation in regard to procedures for a case of a complaint against an administrative agency in Japan, such as a statement of objections, or a demand for investigation.
- (4) giving an expert opinion in writing in regard to the interpretation or applicability of a law which is or was effective in Japan (excluding the treaties or other international laws which are contained in the law of the country of primary qualification or in designated laws).

Article 64. A person who, by a fraudulent or other unjust means, has had the registration made in the Register of Gaikokuho-Jimu-Bengoshi or had the supplementary registration of designated laws made in it, shall be punished by imprisonment with labor for not more than two years or a fine not exceeding one million yen.

2. An attempt of the offences mentioned in the preceding paragraph shall be punished.

Article 65. A person who violates the provisions of Article 26 of the Bengoshi

Law which applies *mutatis mutandis* pursuant to Article 50 of this Law shall be punished by imprisonment with labor for not more than three years.

Article 66. A person who violates the provisions of Article 27 or 28 of the Bengoshi Law which applies *mutatis mutandis* pursuant to Article 50 of this Law shall be punished by imprisonment with labor for not more than two years or a fine not exceeding one million yen.

Article 67. In cases where a person who is or was a *gaikokuho-jimu-bengoshi* reveals, without due reason, another person's secret which has come to his knowledge in the course of his practice, he shall be punished by imprisonment with labor for not more than six months or a fine not exceeding a hundred thousand yen.

2. The offence mentioned in the preceding paragraph shall be prosecuted only upon complaint of the injured party.

Article 68. A person who violates the provisions of Article 61 shall be punished by a fine not exceeding two hundred thousand yen.

Supplementary Provisions

(Date of enforcement)

1. This law shall come into force as from the date fixed by the Cabinet Order within the limits of two years from the date of its promulgation.

(Exception concerning the number of years of practice experience)

2. In cases where a person who is qualified to become a foreign lawyer is in the employment of a bengoshi in Japan at the time of enforcement of this Law and is providing services to the bengoshi, based on his knowledge of the law of the foreign country in which he acquired the qualification to become such foreign lawyer, the provision of his services to the bengoshi in Japan, based on such knowledge of the law of the foreign country during any period between the acquisition of his qualification and the enforcement of this Law, shall be regarded as his experience of having engaged in practice as a foreign lawyer in the foreign country where he acquired such qualification, within the limits of two years in total, for purposes of the application of the provisions of Item (1) of Paragraph 1 of Article 10.

(Partial amendment of the Code of Civil Procedure)

3. The Code of Civil Procedure (Law No. 29 of 1890) shall be partially amended as follows:
“(including gaikokuho-jimu-bengoshi)” shall be added after “bengoshi” in Item (2) of Paragraph 1 of Article 281.

(Partial amendment of the Patent Attorney Law)

4. The Patent Attorney Law (Law No. 100 of 1921) shall be partially amended as follows:
“or the Special Measures Law concerning the Handling of Legal Business by Foreign Lawyers (Law No. 66 of 1986)” shall be added after “Bengoshi Law”

in Item (3) of Article 5.

(Partial amendment of the Certified Public Accountant Law)

5. The Certified Public Accountant Law (Law No. 103 of 1984) shall be partially amended as follows:

“or the Special Measures Law concerning the Handling of Legal Business by Foreign Lawyers (Law No. 66 of 1986)” shall be added after “Bengoshi Law (Law No. 205 of 1949)” in Item (7) of Article 4.

(Partial amendment of the Code of Criminal Procedure)

6. The Code of Criminal Procedure (Law No. 131 of 1948) shall be partially amended as follows:

“(including gaikokuho-jimu-bengoshi)” shall be added after “bengoshi” in Articles 105 and 149.

(Partial amendment of the Bengoshi Law)

7. The Bengoshi Law shall be partially amended as follows:

“(or gaikokuho-jimu-bengoshi)” shall be added after “bengoshi” in Item (3) of Article 6.

“Item (1) of Paragraph 1 of the preceding Article” in Paragraph 1 of Article 13 shall be amended as “Item (1) of Paragraph 1 of Article 12”.

“fifty thousand yen” in Paragraph 1 of Article 75 and Article 77 shall be amended as “one million yen”.

“fifty thousand yen” in Article 79 shall be amended as “two hundred thousand yen”.

(Partial amendment of the Tax Practitioner Law)

8. The Tax Practitioner Law (Law No. 237 of 1951) shall be partially amended as follows:

“or the Special Measures Law concerning the Handling of Legal Business by Foreign Lawyers (Law No. 66 of 1986)” shall be added after “Bengoshi

Law (Law No. 205 of 1949)” in Item (9) of Article 4.

“gaikokuho-jimu-bengoshi” shall be added after “bengoshi” in Item (1) of Article 24 and Article 43.

(Partial amendment of the Income Tax Law)

9. The Income Tax Law (Law No. 33 of 1965) shall be partially amended as follows:

“(including gaikokuho-jimu-bengoshi)” shall be added after “bengoshi” in Item (2) of Paragraph 1 of Article 204.

(Partial amendment of the Registration and Licensing Tax Law)

10. The Registration and Licensing Tax Law (Law No. 35 of 1967) shall be partially amended as follows:

The following shall be added after (1) in 23 of Attached Table I:

(1-bis)

registration of Gaikokuho-Jimu-Bengoshi under	number of cases	¥60,000
Paragraph 1 (registration) of Article 24 of	of registration	per case
the Special Measures Law concerning the		
Handling of Legal Business by Foreign Lawyers		
(Law No. 66 of 1986)		

(Partial amendment of the Ministry of Justice Establishment Law)

11. The Ministry of Justice Establishment Law (Law No. 193 of 1947) shall be partially amended as follows:

The following one item shall be added after Item (5) of Article 3:

(5-bis) matters concerning gaikokuho-jimu-bengoshi

Introduction for 'KAIUN' (Shipping)

(No. 715 April~No. 722 November)

The Japan Shipping Exchange, Inc. has been publishing the monthly magazine named 'Kaiun' (Shipping) in Japanese since 1921.

This magazine has been valued and is working as an opinion leader in shipping circles and other concerns in Japan.

Undermentioned are the contents of its recent issues, from April to November in 1987 editions.

We hope you will find information you are seeking in the following articles.

SPECIAL REPORT

[April]

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Air cargo transportation

* *The prospects for international air cargo transportation-in the trend deregulation*

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by Kajitani, Kenzo

The US will remain the most important market for Japan. In addition, in the long term view we must pay attention to China as a possible market which possesses a vast territory with a large population.

Our tasks are:

- (a) to expand the air transportation network
- (b) to explore other possible air cargoes
- (c) to provide higher value added services

* *Export will be maintained in quantity at almost same level as last year, the volume of imports will increase by 10 %*

-achievement for 1986 and prospects for 1987

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* Its aims for an integrated terminal serving air, sea and land transport which will be of increasing importance in the Pacific region. 70

* Restoration of the port: "Port Renaissance".

The Port of Kobe is upgrading its facilities to take it into the 21st century. 77

[November]

Part1. What should Japan study from NIS ?

* *Let's read the trend of the times* 14

by Shibata, Kohsuke

I think NIS system has been set up in line with the times' calling from various view points such as policies on shipping, employment, national security and aids for developing countries,etc.

Whether or not Japan introduces "NIS" (NIPPON INTERNATIONAL REGISTER) depends on judgement of people concerned, but I hope that they will produce a imaginative shipping policy for Japan by reading the times accurately.

* *Interview*

Mr. David Vikoren

Director General, Norwegian Shipowners' Association 14

We believe we can provide Japanese owners with higher quality registration than Liberia or Panama. NIS registered vessels with Japanese masters on board will be possible.

We have concluded collective bargaining agreements with the National Unions of both Filipino and Indian seafarers. This will encourage non-Norwegian owners to register in NIS.

PartII. Persian Gulf

* *Interview*

Mr. Ishizuka, Masaro

General Manager, Research Dept.

Mitsubishi Corporation 24

The early settlement of Iran-Iraq war is unlikely for the time being.

Where free economic countries take cooperative steps against Iran, Japanese stance will become difficult. It is not a merit for the whole free economic world that Japan bans imports of Iranian crude oil. Doing so would result in the loss of a means of contact with Iran.

As for future of oil prices it will stand at around 18 to 22 dollars. Any factors which will cause large fluctuation of oil prices can't be seen now.

* *What is the influence on the tanker market ?*

.....*exploration of the mechanism of the upswinging market*

by *Ohtake, Kunihiro* 30

In the last two oil crises the increase of seaborne trade volumes of oil was attributed to rising oil prices. This increase brought the increase of demand of tonnage and tanker market surged.

The current tanker market, however, is different. It depends on the rapid change of demand to transport. It is very volatile.

If the tension of the Middle East doesn't heighten further and oil transport continues at the current level, the storage of oil increases and oil prices decrease.

On the other hand, if the Hormuz Straits are closed, transport of oil itself will become impossible, which will reduce tonnage demand.

Therefore, the market will rise indeed in the short term, but weakening in a matter of time.

* *An easily broken 'Safety Myth'*

by *Nahayama, Kazuya* 36

Although Iran has always contended that it never attacks Japanese vessels, a friendly country, two Japanese vessels were attacked by an Iranian gunboat 19 miles south west south from Hormuz Straits. The myth of a security of Japanese flagged vessels' was easily broken.

The settlement of the Iran-Iraq war seems to be hopeless. In this circumstance Japanese vessels are sailing in the Gulf in convoy introducing a fixed time passing.

OPINION

[April]

Is the continued existence of Japanese Shipping necessary? 12

The task which Japanese shipping is facing is simply the recovery of cost competitiveness.

* Various restrictions concerning crewing or financial regulations which prevent reductions of capital costs should be eased or abolished without delay. (Mr. Taketomo)

* In the continuing trend of the appreciation of the Yen, shippers are forced to change their attitude regarding vessels carrying raw materials, involving a reexamination of guarantees of Yen based freight and requests for dollar cost based vessels. We have very few problems with foreign vessel's performance when we charter them from the market. (Mr. Kuzuo)

* Ships which were built on government-guaranteed loans and interest subsidies such as long term low loan interest rates and interest relief no longer enjoy the intended advantages. These vessels now lack cost competitiveness because their interest rates are higher than on a bank loan and they must be manned by Japanese crew members. (Mr. Shirakawa)

* Considering that Japan must maintain, for the purpose of national security, a fleet of vessels which she can control 100 percent, there is no other way than for the nation to support the industry for its survival. It is beyond a matter of mere economics. (Mr. Sugimoto)

* The reduction of costs is required also by shippers. We cannot employ uncompetitive ships even though they are manned by excellent Japanese crews. (Mr. Funakoshi)

* It is impossible for an uncompetitive company to continue its existence. The industry should make an effort to increase competitiveness before mentioning national security. (Mr. Takagi)

[May]

<i>Take courage in tiding over the depression due to the appreciation of the Yen</i> 72
<i>by Ohki, Godoh</i>	

There is no other way to tide over the current depression due to the appreciation of the Yen than to carry out a vast reduction of costs. Then management is requested to take drastic action for that purpose.

[June]

* <i>Maersk and Evergreen</i> 56
<i>by Ohki, Godoh</i>	

Maersk and Evergreen, amongst the most prominent shipping companies around the world, are always acting boldly, one conference member, the other more as a non-conference line.

There are many things to be learned from them for Japanese lines which have generally tended to take a unified action.

[July]

* <i>The role of Japanese in the future of oceangoing shipping.</i> 32
<i>by Ohkawara, Toyoshige.</i>	

Mere experience cannot alone succeed in developing a transportation industry able to keep up with the progress of technology. Such aims require for their attainment an organised group of technicians and analysts.

Shipping companies will need to establish such groups in order to maintain a lead in engineering for the general development of the industry and in order to take the fullest advantage of technological innovation.

We must carefully consider the balance in the Japanese merchant fleet among foreign flag vessels, mixed crew vessels and Japanese flag vessels and how Japanese seamen's skills can best be utilised in such circumstances. The provision of opportunities for education and training must also be examined in order to maintain an adequate supply of labour for the future.

In these times it is of no use merely to emphasise the excellence of Japanese seamen in the operation of vessels: seamen without the planning and administrative ability to develop new ideas out of modern technology will be neither appreciated nor useful personnel.

* *Reconsideration of the meaning of the Japanese seafarers' system.* 37
by Kuwahara, Kaoru.

If international competitiveness is considered solely on the basis of economic factors, seafarers in the developed world are bound gradually to lose their jobs. However, we must assess their overall worth taking into account wider considerations.

As regards the modernisation of the seafaring system, we must not forget to secure an environment in which seafarers can go on board without anxiety to safe work places by the continuous upgrading of standards for Japanese seamen through a plan covering education, qualifications and onboard working practices.

[August]

* *The reason for the collapse of USL* 82
by Ohki, Godoh

The main business of US Lines was the direct service from the Far East to the US East Coast. The company placed 12 econ ships on this route, but never recovered the building costs because of the lowering freight rates. This is the reason for the collapse of US Lines.

In considering of resurgence of the Transpacific service, we may be able to learn much from the collapse of US Lines.

[September]

* *Expanding network of Shipnets* 44
by Nishino, Hiroshi

The operation of Shipnets started in April 1986. Companies which are using this system are freight forwarders (60), shipping lines (8), sworn measurers (2), tally corporations (2).

To improve its effect further it is necessary to set up a network system among shippers, warehouses, banks, insurers, land transport, ports and harbor controllers, and customhouses, etc.

* *Finding new business ground is on urgent need for coastal shipping* 38
by Kitada, Kohei

Coastal shipping is faced with a decreasing trend of its seaborne trade volume due to a gradual decrease of large volume cargoes which amount to 3/4 of the total of cargo volume.

However, by moving away from dependence on these traditional cargoes there will be a high potential for alternative cargoes for coastal shipping. If people concerned have a pioneer mind to tackle new fields, they will be able to help coastal shipping.

* *Right judgement on the transpacific service* 66
by Ohki, Godo

[October]

* *Renovate Japanese oceangoing shipping with courage.* 12

Even though they are faced with crisis, people in shipping circles continue to discuss from a viewpoint of the conventional narrow world.

The aim of the government policy should not be to form Japanese seaborne transport system for the Japanese and by the Japanese, as has been the case up to now, but the renovation of our current oceangoing shipping into one which takes a positive role in international seaborne transport as well as protecting the economics of Japanese shipping .

To realise this aim, there is the introduction of an offshore ship register, unlimited application of the state-sponsored shipbuilding programme to tripartite trade vessels and the internationalization of seamen's licences which can not be applied to seafarers who are employed by foreign lines.

* *The Opinion that a mixed crew system should be introduced into modernized ships is a desk theory.* 20
by Tsuda, Michio

A voice has been heard recently: How about introducing mixed crew systems into modernized ships?

This opinion comes from a principle which regards costs as most important held by those who do not understand seamen's laws at all. They say such a system will make seamen's costs much lower because of smaller crews on modernized vessels. This, however, is a desk theory and too short a view.

Shipping lines' bargain sale to shippers has resulted in overcompetition and this situation requires international competitiveness.

On the other hand, the government has shelved the support of the state-sponsored newbuilding programme by a side of policy.

It is by no means acceptable that in these circumstances only seamen's costs have caused the non-use of the programme.

* *Legislation for stabilization of liner services* 26

by Mikami, Ryozo

Japanese-flag vessels are suffering more restrictions than foreign vessels. This is a discrimination. Because it is difficult to expect UNCTAD Liner Code to stabilize the liner services, we hope for such laws as are equal to ones in other leading shipping countries: the revision of the current Japanese Marine Transport Law and its application to foreign lines, freight regulation in the noncommercial activities of national lines, the strengthening and expansion of the Law on Special Measures against Unfavorable Treatment to Japanese Ocean Going Ship Operators by Foreign Governments Others.

* *Shipping Clause in Trade Act of U. S.*

—*future of the bill stipulating equal car transport* 52

by Ohki, Godo

We can not understand the true meaning of the American requirement to let the U. S. shipping lines participate in the transport of car exports to the U. S. I dare say it may be a kind of "Japan Bashing", a current prevalence in the U. S. I strongly hope that American good sense stops the bill from passing the Congress.

INTERVIEW

[April]

Mr. A. F. Klima, Chairman of H. CLARKSONS CO. LTD. 52

It is difficult to maintain the artificial oil price in the market.

The volume of tonnage over 15 years old is expected to be 41.5% in 1991, assuming that scrapping at the level of 12-13 mil. tons deadweight a year, and it is expected that supply and demand of fleet will show the balance in the end of 1990.

[June]

* Mr. Saita, Yoritsugu 20

General Manager

Physical Distribution Department

Sumitomo Metal Industries, Ltd.

We have started a new physical distribution system, born out of our pursuit both of customers' convenience and also of the company's rationalization. We are expecting to cut annual costs by 2.5 billion Yen by the end of 1988.

* Mr. Uemura, Keiichiro 36

President

Uemura Kaiun Shokai, Ltd.

We have been doing business in the global transport of chemical cargoes based on the idea that chemical tankers can go to any places where there are cargoes.

We are avoiding ballast voyages as much as possible through the effective operation of vessels, 24 working hours a day, from our Tokyo office.

[September]

Mr. Chiba, Tatsuro, President of Iino Kaiun 24

I think a good company is simply a company which does not face the crisis collapse and which has an independent mind.

I would like to avoid a reduction of workers to the utmost by means of finding workplaces in our Group. Personnel exchange within the group will revitalize offices lack of activity.

PROPOSAL

[April]

* *For the cook who wishes to change his workplace from the sea to land* 64
by Mr. Tamura, Kurayoshi

NEWS FLASH

[April]

(Liner) Management of liner services after IGA final decision 27
 Ambition of CSX? 28
 (shipbuilding) Japanese trading houses access to Korean yards 29
 Formation of recession cartels and limitation of annual newbuilding output to 3mil. cgt. 30
 (management) Japan Line transfers its assets to Green Investments Ltd., a subsidiary company. 31
 (ports and harbors) The closer attention of labour unions to the issue of Sunday working 32
 (air) Reduction freight rate for the new business airmail service 33

[May]

(liner) Three Japanese lines run DST in PNW to expand US inland transportation. 54
 (policy) An Experiment plan of Pioneerships is decided 55
 (management) NYK starts a building maintenance business. 56
 (coastal shipping) Party goes to Europe to inspect river transport. 57
 (labour) Final agreement was reached: 58

Oceangoing shipping: An annual periodical pay raise only, no basic wage increase.

Coastal shipping: The total of ¥5,030 rise including basic wage increase.

(passenger ship) the Royal Princess's first entrance into Kobe.	59
(information) Marubeni will inaugurate 'Triangle Network System' for speeding up payments oceangoing export freight rates and acquisition of B/Ls.	60
(shipbuilding) Transport Minister inquired to the Council for Rationalization of Shipping and Shipbuilding Industries.	61
(air) Isewan Shipping acquired IATA license and started regular services.	62

[June]

(liner) Troublesome North American Trade-cargo movement in doldrums and IA.

Movement for merging operations on the Middle East route.	49
(policy) Intensified expansion of jobs both on board and ashore.	50
(management) K Line's urgent rationalization plan for disposal of 14 uneconomic vessels and cutting of 650 seafaring jobs.	51
(coastal shipping) Final remedy plan for the depression: four inems including purchase of redundant fleet by Japan Federation of Coastal Shipping Association.	
Investigation of carriage of general cargoes by containers.	52
(cruise ship) Three major shipbuilding companies set about a consortium to win an order by Norwegian shipping company for construction of the world largest cruise ship.	53
(shipbuilding) Co-operative bidding is an absolute condition. a fundamental guide given by the Council for Rationalization of Shipping and Shipbuilding Industries.	54
(air) Large increase of Sea and Air transport, which was revealed by the first statistics investigation by MOT.	

Mitsui OSK Lines set up a new airship company aiming at operating a pilot-

less airship in this summer. 55

[July]

(Liner) Ace group reduces substantially transit time in the European service. 46

NYK and Mitsui OSK set up a joint office to serve the Red Sea and Middle East. 46

(Shipbuilding) The crucial importance of integration and co-operation..... 50

(Labour) Large differences in employment contracts seen between USA and Japan in issue of severance payments to USL employees in Japan. 49

(Management) The urgent need to regain competitiveness. 48

(Air) Lufthansa suffers its first reduction in profits attributable to exchange losses.

DHL reduce their charges on the introduction of an express service for data and software etc. 51

(Politics) Seafarers' Union applies to Minister of Transport for urgent aid for the deepsea shipping industry. 47

[August]

(Liner) YS starts joint operation with OOCL. 33

(Policy) Start of an experimental operation of Pioneerships at the end of October.

Amendment of seamen's law is under consideration for submission to the next session of the Diet. 34

(Diversification) Stores or restaurants.

Start of different kinds of business by Shipping and Shipbuilding companies. 35

(Shipbuilding) Easing regulations on facilities. 36

(Air) NCA starts Holland service. 37

[September]

(Liner) Balanced income and expenditure in 3years-NYK's new operational system in the transpacific service. 53

(Tramp) Maintained joint operation on LNG transport by 6 lines. 54
K line and Showa win a big COA for CLP. 54

(Policy) Shipowners Association asks US government to cope with US Omnibus Trade Law of 1987. 55

(Budget) Japan Development Bank introduces buyers' credit for export vessels. 56

(Cruise) Mitsui Osk Lines unofficially chooses MHI. 59

[October]

(liner) Rate increase by the Far Eastern Freight Conference (FEFC) is to be effective from April 1, 1988. 40

(port) MOL started to use its own Container Terminal at LA Port on October 41

(seamen) Seamen's Union will hold a national conference in November.
Problem of employment is most important. 42

(shipbuilding) NKK joined forces with Tohoku.
Hitachi won a newbuilding order of 2 VLCCs from abroad 7 years after the last such order. 43

(cruise) Showa will enter into the cruise market with a vessel to be launched in April next year. 44

REVIEW

[April]

* *Future of PCCs* 70
by Mr. Ohki, Godo

[May]

* *The 42 nd state-sponsored shipbuilding programme* 12

by Ishii, Nobuhiko

In the current situation in which the availability of ship finance is rapidly tightening, the security of a stable supply of shipbuilding funds is being requested by all shipping companies except a few lines who can raise money by themselves.

On the other hand, the revision of current shipbuilding loans is calling for: a change in the ways of manning ships built under such loans, the easing of restrictions such as recovery of shipbuilding costs over 10 years of long term cargo/ freight guarantees, the lowering of interest rates, and resurgence of interest relief.

TOPIC

[April]

- * *A group buildings floating on the sea*
—*exploration of new projects in shipbuilding* 69

REPOT

[April]

- * General Shipping Policy of OECD 56
by Mr. Shiroichi, Osamu

[May]

- * *Where will US Maritime Law go* 64
by Tsuno, Masayoshi

During the 100th session being held since January 6 this year, shipping bills which show a growing trend of protectionism are being introduced into the U. S. Congress.

- * *State-sponsored shipbuilding programme* 20
—Its survival or death?
Can mixed crews become a trump?

[June]

- * *Medium/long term prospect of shipping market(2)* 30
by Japan Maritime Research Institute

(Tanker)

The freight rates in the large tanker section (VL, UL) have entered a long term upward trend.

- * *New era for Japanese seamen's annual wage demand: negotiations for only periodical pay rise* 26
* *The second year development of BIFFEX* 42
by Mitsui, Ichiro

[August]

- * *Reorganization of the South East Asian route* 12

With the re-formation of the Transpacific route, the South East Asian route is also speeding up its reorganization.

Recently there are signs of a decline of competitiveness of exports from countries such as Taiwan, Hong Kong and South Korea.

The seaborne cargo movement on the Transpacific trade is moving towards the South because Japanese manufacturers are rushing to lower cost countries such as Thailand, Indonesia, India and Pakistan.

In order to compete with the foreign lines which have already laid their foundations in this area, it is a pressing matter for the Japanese lines to expand their higher class service system and to pay attention to details.

- * *Bankruptcy of USL* 16
by Tamada, Masaya

G. Y. Nakamatsu, general manager of the Japanese branch of US Lines said, "I have received an order to return to the US." If he goes back to the US, there is no responsible person left here in Japan. The Labour Union strengthened the picket line. On April 3, G. Y. Nakamatsu suddenly returned to the US. This attitude is nothing less than oppression. The time coincided with the US - Japanese Semiconductor conflict. We see the Amer-

ican way of acting in both affairs.

TALK

[June]

- * *Can a collapse of the dollar be avoided ?* 12
Okumura, Ariyoshi/ Matsuo, Keisuke

The ocean going shipping which is requested to achieve further internationalization in terms of their costs.

The collapse of the dollar, such as would trigger a world-wide depression, will not occur although the prestige of the dollar will be further impaired.

They cannot help pushing to internationalize costs.

[July]

What is the key to the revival of Japanese shipping? 20

- * Japanese shipping must slim down in order to compete effectively. The conference system will not function properly if internal competition continues as at present. Such rivalry benefits neither Japan nor the rest of the world. (Shiota, Sumio)
- * If we are required to choose between co-operation within the conference system or each going our own way, the situation will pass beyond our control. In such circumstances each company will inevitably aim to minimise its own costs. A willingness to co-operate within certain limits is common in each company. (Aiura, Kiichiro)
- * Japanese flag vessels manned by 4-5 Japanese and other foreign crewmembers are attractive as regards international competitiveness. Currently the most serious problem in the shipping industry is overcompetition and the Japanese shipping industry must deal with this by co-operation and unity with assistance from the Government. (Kaji, Takayoshi)

[September]

* *New era of shipping approaching superconductivity* 12

Kyotani, Yoshiyasu, Nakamori, Shizuo, Nomura, Shuji

Electromagnetic vessels using superconductivity could easily make 40-50 knots. Even 100 knots will not be impossible.

The ship will proceed by taking electricity from superconductive wires laid on the Pacific Ocean like trains, or where superconductive cables are laid at the bottom of the sea, the ship induced by them will be able to arrive at wharves without help of tugboats like liner motor cars.

* *Present situation and prospect for the transpacific service* 28

At the top level talk which was reported by the July issue of this magazine, Mr. Shiota said "I am groping for an answer as to whether each country's cooperation with the policy is necessary or not."

I think it is absolutely necessary because the present situation such that each country is going its own way without restrictions is undesirable. (Takahashi)

Observing the earnings structure of each line, liner sections have produced 40% of the total earnings. The surrounding circumstances, however, have greatly changed. Isn't it time for each line to reconsider its liner services, especially the transpacific service? (Takagi)

Only two years have passed since the Council for the Rationalization of Shipping and Shipbuilding Industries submitted a report to the Transport minister. It is still too early to criticise the report. Before doing so each company should make its utmost effort in the struggle. (Ikuta)

Although we as shippers are also expecting that all Japanese lines will continue to develop while they are having healthy competition, they won't be able to survive without reduction of costs to a level at which they can compete with foreign flag vessels. (Suda)

[October]

New era of shipping approaching superconductivity (2) 32

Kyotani, Yoshiyasu, Nakamori, Shizuo, Nomura, Shuji

Electric power supply system by superconductivity will change the condition of location of electric resources.

The use of superconductive cables will make a considerable reduction in energy costs. If these are realized, industries which consume a large volume of energy will be able to revive.

In times which are rapidly changing we must not neglect to forecast cargo movement in the superconductive age.

[November]

* *Doesn't a real recovery of newbuilding market take a long time?* 50

While we are spending enough time for negotiation of a deal, development of the deal becomes slow because of the appreciation of the Yen. The way of survival for shipbuilders is no other way than to adjust themselves to the market as reducing or increasing of their own capacities. (Y. Abe)

Japanese share in the world shipbuilding market decreased from 50% to one third. The time is over that each shipbuilder builds every kind of vessel. Specialization of builders is a must for their survival. (K. Miyazaki)

South Korean shipbuilders are at the state of raising prices because of the appreciation of Won and increase of material costs. Newbuilding prices will gradually increase as shipbuilders and owners are pulling a rope. (S. Sato)

The main deals in the current newbuilding market are orders for replacement, therefore, the expansion of volumes can't be expected for a few years. The real recovery of the market will come around 1992. (M. Wada)

People

[April]

Mr. Kawamata, Tamio 10

Director, General Manager of Fuel Department

The Tokyo Electric Power Company Ltd.

A consideration of the total safety aspects of LNG.

[May]

Mr. Takigawa, Chogi 10
General Manager of Distribution Department
Toshiba Corporation

I hope shipping industry transforms its system into one where soft and hardware can be used to full extent.

[June]

* *Mr. Ishikawa, Minoru* 10
Chairman
The Japanese Hull Insurers' Union

Insurance rates for this fiscal year were reduced by a total of 37 billion Yen, 8.34% compared with the previous year by reason of a great improvement in the loss ratio.

[July]

* *Mr. Matsuki, Toshihiro* 18
Chairman
Japan Lumber Importers' Association

The lumber industry has been depressed for the past five or six years and although recovery has been expected for some time, the absence of any signs of improvement has led many people to give up hope. Now, however, after a long interval the market is seen to be on the way to recovery. A similar situation can be seen other industries.

[August]

* *Mr. Kimura, Michio* 10
Director
General Manager of Cement Marketing Dept.
Nihon Cement Co., Ltd.

The expanding economy will cause an increase in domestic demand for ce-

ment to 72 m. tons.

Imported cement, however, will expand its share by increased demand. Therefore, if we adhere to traditional business, there will be no development but only a reduction of business in the future.

So we are now growing mushrooms in disused mine galleries.

[October]

Mr. Kado, Hideaki 10
General Manager, Business Logistics Div.

Mazda Motor Corporation

** Creation of our own distribution system*

We are making an effort to reduce distribution costs and improve our service system through a restructure of the distribution headquarters in the company.

It seems to be impossible to raise freight rates in the current business climate, but a chance will come that the freight market will recover when the management of shipping companies is strengthened and replacement by more efficient containers is completed.

[November]

Mr. Takao, Kobayashi 10
Senior Vice President and Director General Manager,

2nd Trade Service Division NEC Trade Service, Ltd.

** Creation of a physical distribution system fit for international specialization of industries*

Contents of services provided by Japanese, foreign lines or conference, non-conference lines are recently getting similar.

As in relation with the problem of trade friction we can't use Japanese flagged vessels only, we have selected the line taking the destination into consideration.

Tripartite trades are rapidly increasing in line with development of international specialization of the industry. In this circumstance it is important for us to think how to input information into each process of distribution.

Shipping companies are also required for multilateral activities.

OVERSEAS PORT AUTHORITIES

[May]

Hampton Roads, Los Angeles, New Orleans 86

MARKET

[August]

* *Review and Outlook of Shipping Market* 69

by Research Chamber of Nippon Yusen Kaisha

We will see greatly different movement on fluctuation of grain freight and that of crude oil prices.

Crude Oil prices have revitalized the price controlling system which lost its function a year ago. On the other hand, the circumstances in which seaborne freight are being put are completely different. As long as large volume of laid-up or overtonnage is continuing, stability of freight at high rates cannot be expected.

What is worried recently is the fact that scrapping of tankers has been decelerating since the latter half of 1986 and that the volume of newbuilding orders for tankers has been rapidly increasing.

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May 31-June 3, 1988

*KEIO PLAZA
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*ARBITRATION IN SETTLEMENT OF INTERNATIONAL
COMMERCIAL DISPUTES INVOLVING THE FAR EAST
and
ARBITRATION IN COMBINED TRANSPORTATION*

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**THE JAPAN COMMERCIAL ARBITRATION ASSOCIATION
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