

# The Asia-Pacific Arbitration Review

2023

**Japan** 

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The Asia-Pacific Arbitration Review 2023 contains insight and thought leadership inspired by recent events, from 53 pre-eminent practitioners. This edition covers Australia, China, Hong Kong, India, Japan, Malaysia, Singapore, Sri Lanka and Vietnam and has overviews on damages; energy disputes of all stripe; private equity-owned and arbitration; ISDS under the region's main multilateral instruments; the effect of sanctions on construction projects; interim measures in China; and the covid-fallout affecting hospitality.

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## **Japan**

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## In summary

This chapter examines the impact of the Tokyo 2020 Olympics, hosted in summer 2021, on sports arbitration in Japan. It also looks at the planned amendments to the Arbitration Act and the introduction of a new act to ensure enforceability of settlement agreements arising from international mediation, and a recent international mediation between Japanese and Indian parties under the JIMC-SIMC Joint Covid-19 Protocol.

## Discussion points

- The Japan Sports Arbitration Agency's (JSAA) successful initiative to organise pro bono lawyers to assist athletes in need of legal representation during the Olympics
- Court of Arbitration for Sport (CAS) arbitrations hosted by the Japan International Dispute Resolution Centre (JIDRC) during the Olympics
- · Amendments to the Arbitration Act
- Efforts to ensure enforceability of settlement agreements arising out of mediations

## Referenced in this article

- CAS
- JIDRC
- JSAA
- Japan International Mediation Centre (JIMC)
- Arbitration Act
- Asia Sekkei KK v Exeno Yamamizu Corporation, Tokyo District Court, judgment of 15 April 2021
- JIMC-SIMC Joint Covid-19 Protocol

## JIDRC hosts hearings for CAS arbitrations

Sports arbitration garnered special attention in Japan in 2021 thanks to the Tokyo Olympics. After much delay due to the covid-19 pandemic, Japan finally hosted the Tokyo 2020 Olympics from 23 July to 8 August 2021. It was a momentous occasion for both Japan and the world, as it fully met the logistical challenge of ensuring the safe participation of the games by world-class athletes despite the difficulties posed by the pandemic.

We reported last year that the JIDRC finally opened its state-of-the-art facilities on 12 October 2020, ready to host and provide support for international arbitration hearings. The

JIDRC was proud to lend its support to the ad hoc division of the CAS in 2021, while the JSAA, a dispute resolution body established in 2003 for sports-related disputes, led an initiative to provide legal advice free of charge to athletes, coaches, team officials, National Olympic Committees (NOCs), National Paralympic Committees, international federations and international Paralympic sporting federations participating in the Tokyo 2020 Olympic and Paralympic Games. [1]

The JSAA gathered more than 70 lawyers to offer their legal services pro bono to act as a safety net for those who did not have their own legal representatives in Japan or faced difficulties finding representation on short notice. The pro bono lawyers were collectively able to provide advice on sports law, criminal law, civil law, immigration law and even representation in hearings before CAS's ad hoc division and anti-doping division. These volunteer lawyers were also provided with training and mentorship by experienced sports practitioners, which greatly contributed to building the capacity and expertise of Japanese lawyers in the field of sports law and sports-related disputes.

The JSAA service provided pro bono advice and representation for four athletes for the Tokyo Olympics, including in the high-profile case of *Krystsina Tsimanouskaya v. National Olympic Committee of Belarus.* [2] While Ms Tsimanouskaya's plea to overturn the Belarus NOC's decision not to let her participate in the Women's 200m was dismissed, she successfully fled to Poland when the Belarus NOC was trying to force her to fly back to Belarus. [3]

## Amendments to Japan's Arbitration Act

On 8 October 2021, the Legislative Council of the Ministry of Justice (MOJ) finalised a detailed plan (the Plan) to modernise the Arbitration Act (AA)<sup>[4]</sup> to reflect the UNCITRAL Model Law 2006 (the 2006 Model Law), focusing in particular on the interim measures issued by arbitral tribunals and to facilitate the use of Japanese courts in support of arbitration. A bill to implement the Plan is expected to be deliberated in the Diet in the near future.

The current AA was first introduced in 2003, and thus only reflects the UNCITRAL Model Law 1985. To update the AA to reflect the 2006 Model Law, the AA is to be amended to include, inter alia, the types of interim measures to be issued by arbitral tribunals (article 17(2) of the 2006 Model Law); the requirements therefor (such as the option to require the posting of a security or bond (article 17E)); the termination, suspension or modification of interim measures (article 17D); the damages payable by an applicant in such circumstances (article 17G); and enforcement of interim measures and the limited grounds for rejecting enforcement (article 17 I). Although the proposed provisions relating to interim measures differ slightly from those of the 2006 Model Law, there is no intention to deviate from interim measures set forth under the 2006 Model Law; the differences in wording are merely intended to accommodate certain requirements under the Japanese legal system. Adjustments were also made to ensure that interim measures that have been frequently applied for in arbitrations seated in Japan would be available after the amendment. Some examples of interim measures often invoked in Japan are a provisional declaration of an exclusive licensee or distributor under existing distribution or licence contracts when the supplier or licensor purported to terminate those contracts, and an injunction to prevent a call on a bond or bank guarantee. Given that the text of the 2006 Model Law was adapted to reflect the Japanese legal system, once the amendments to the AA are enacted, it is recommended that parties and tribunals closely follow the amended AA if parties wish to

enforce interim measures in Japan. In addition, while the amendments to the AA do not provide for enforceability of interim measures issued by emergency arbitrators this does not automatically preclude the same as this is simply because the 2006 Model Law is silent on the point and the Legislative Council followed the 2006 Model Law.

In addition, to reflect the 2006 Model Law on interim measures, some key amendments to AA that go beyond the 2006 Model Law are:

- For the first time, the Japanese courts will have the power to order the payment of a penalty fee in the event of a breach of a preliminary prohibitory injunction issued by arbitral tribunals. This is groundbreaking as it is not a power that is available to Japanese courts when a party breaches a preliminary prohibitory injunction issued by a Japanese courts.
- The jurisdictions of the Tokyo District Court and the Osaka District Court will be extended to hear cases relating to arbitration. In an earlier version of the Plan, the Osaka District Court was intended to have additional jurisdiction for cases over which courts in the western part of Japan had jurisdiction while the Tokyo District Court was intended to have additional jurisdiction for cases over which courts in the eastern part of Japan had jurisdiction. In the final version of the Plan, however, all cases relating to arbitration can be heard by either the Tokyo District Court or the Osaka District Court as long as a Japanese court has jurisdiction. This will likely further facilitate the accumulation of expertise on arbitration-related cases by one district court, most likely the Tokyo District Court, given the limited number of court cases relating to arbitration in Japanese courts.
- The courts will have the discretion to waive the requirement to provide Japanese translations of all or some of the evidence, including arbitral awards. As most arbitrations involving Japanese parties are conducted in English, this move is expected to reduce the administrative and cost burdens of parties involved in arbitrations seated in Japan or seeking the enforcement of arbitral awards in Japan.
- Parties to oral agreements may also refer their disputes to arbitration as long as
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  are typically made orally, such as in certain derivative transactions and ship salvage
  transactions.

The arbitration community in Japan is eagerly anticipating how the Japanese courts will evolve by accumulating expertise in arbitration-related cases and to what extent the courts will exercise their discretion to waive the requirement of a Japanese translation of evidence.

## Asia Sekkei KK v Exeno Yamamizu Corporation

In a judgment dated 15 April 2021, the Tokyo District Court reaffirmed Japan's pro-arbitration stance. In *Asia Sekkei KK v. Exeno Yamamizu Corporation*, <sup>[5]</sup> the plaintiff Asia Sekkei (AS) brought claims for breach of contract and tort against Exeno Yamamizu (Exeno), ostensibly in an attempt to circumvent an arbitration clause included in a charter contract referring disputes to the London Maritime Arbitrators Association, to be seated in Singapore but in

accordance with the UK's Arbitration Act 1996. AS's attempt failed; the Tokyo District Court dismissed AS's claim on the ground that the claims were covered by the arbitration clause.

AS's subsidiary (AS Sub) purchased a chartered vessel from Exeno, while the vessel was under an arrangement of a charter contract with a Turkish shipping company. Exeno executed the charter purchase contract as a guarantor, presumably to guarantee the charter freight payable by the Turkish shipping company to AS Sub. The Turkish shipping company defaulted, and AS sought payment from Exeno not as a guarantor but by claiming that Exeno agreed to assume the charter contract from the Turkish shipping company in the event the latter defaulted in payment. AS also claimed that it acquired AS Sub's claims for breach of contract and tort against Exeno. Exeno denied the existence of such an assumption contract with AS Sub and sought to dismiss the claims by AS as they were in fact a claim for its guarantee of payment under the original charter contract (executed by AS Sub, the Turkish shipping company and Exeno as guarantor), which contained an arbitration agreement.

The Court reasoned that the scope of the arbitration agreement in question, from an objective analysis, would include the dispute regarding whether there was an alleged assumption contract between Exeno and AS Sub after the Turkish shipping company defaulted. Furthermore, from a subjective analysis of the scope, as the guarantor to the charter contract, the Court also found that there was a valid arbitration agreement between AS Sub and Exeno to settle disputes in connection with the charter contract.

In sum, the Court interpreted the arbitration agreement in the charter contract by applying the 1996 UK Arbitration Act, and dismissed AS's claim. This Court decision once again demonstrates that a party to an arbitration agreement may not circumvent the agreement simply by restructuring their claims.

## First successful mediation under JIMC-SIMC Joint Covid-19 Protocol

On 12 September 2020, on the same day the Singapore Convention on Mediation entered into force, the JIMC and the Singapore International Mediation Centre (SIMC) announced their plan to operate a joint protocol to provide cross-border businesses with an economical, expedited and effective route for resolving commercial disputes. The JIMC–SIMC Joint Covid-19 Protocol (the Protocol) was launched on 20 November 2020. It sets out the framework for online mediation for all disputes, regardless of whether the dispute is caused by the pandemic or by legislation relating to the pandemic. At the time of writing, the Protocol will be in force until 11 September 2022.

The central feature of the Protocol is that it allows for mediations to be conducted, in principle, completely online, by default, in light of the lockdowns on travel and the restrictions on group gatherings. This allows great flexibility in scheduling for all participants involved, which would include parties and their legal representatives, as well as the mediators (who are usually busy practitioners). Without the time and cost constraints of an in-person mediation, such as travel, daily hotel accommodation and expenses for venue and meals, it is easier for parties to find availability and to have the option of shorter sessions or to stagger mediation sessions across non-consecutive days. This potentially allows for parties to start their mediation efforts earlier, rather than months after a dispute has been referred to mediation due to scheduling conflicts. Such flexibility also removes the pressure of having to reach a

settlement by a certain deadline, which may result in regret or choosing to take a hard stance that impedes parties from engaging in meaningful discussions. Parties can reconvene easily if a break is needed, whether to accommodate conflicting schedules or a cool-down period that would be beneficial to both sides.

Another unique feature of the Protocol is the default rule of having two co-mediators for mediations under its auspices. The JIMC and the SIMC will each appoint a mediator, taking into consideration factors such as experience, qualifications, nationality and language ability. Unlike the appointment of arbitrators under some arbitral institutions, neutrality of nationality does not appear to be a factor for consideration. In a case report on a successful mediation conducted under the Protocol, a mediator with Japanese nationality was appointed in a case involving Japanese and Indian parties. However, mediators are discouraged from acting as a representative or advocate for one of the parties.

The aforementioned case was one of the very first mediations conducted under the Protocol. A Japanese company and an Indian company in a joint-venture dispute were able to reach a settlement within two days instead of the scheduled three days with the aid of co-mediators Mr Gregory Vijayendran SC and Mr Yoshihiro Takatori. The mediators attributed the parties' success in reaching a settlement to their genuine commitment, and the mindset of those involved to find common ground and be forward-looking, as opposed to being contentious. Mr Takatori shared that another critical turning point for the parties was the use of the 'Greg and Yoshi Schedule' to note where parties were in agreement, and then moving on to discuss contentious areas. In this way, the mediators were able to 'build from one peak to another agreement wise'.

The mediators shared that they were united in their views, which successfully avoided a situation where one of the parties would view one of the mediators as their advocate, creating division rather than collaboration. Both mediators acknowledged the usefulness of having similar backgrounds or traditions to the parties, as it provided reassurance and comfort to the parties and enabled the mediators to respect and acknowledge cultural nuances during negotiations.

This case dispels the traditional notion that mediations must be conducted in person to enable the collection of information from the other party in the form of non-verbal cues and body language. With firm and intentional guidance of experienced mediators on the panels of both the JIMC and the SIMC, who are often highly respected practitioners in their own fields, mediations conducted entirely online can be cost-effective, efficient and satisfactory, allowing parties to move on from the dispute and direct resources back to their business.

## A new law to afford enforceability of settlements arising out of international mediations

On 4 February 2022, the Legislative Council for the MOJ finalised a plan to enshrine in the legislation the enforceability of settlement agreements arising out of both domestic and international mediations. <sup>[9]</sup> The Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 1 December 2004) (the ADR Act) will be amended to ensure enforceability of settlement agreements arising from domestic mediations, while a new Act will be promulgated for the enforcement of settlement agreements arising out of international mediation.

The aim of the new legislation on international mediations is to implement the Singapore Convention in Japan. This move is significant as it was the result of the MOJ's response to feedback from the business community and practitioners, who emphasised the importance of mediation and the Singapore Convention. In fact, the MOJ commissioned the Legislative Council to prepare for a legislative plan to implement the Singapore Convention before the Japanese government officially announced its decision to sign the Convention.

The planned implementation of the Singapore Convention is an important and timely development on the mediation front for the Japanese business community. Mediation has become more popular among the international business community because it is the most efficient, flexible and productive way to settle disputes between parties with ongoing relationships, and much faster and cheaper compared with other forms of disputes resolution, such as arbitration or litigation. Parties often agree to a mutually acceptable settlement, so that the outcome of mediation is more palatable and satisfactory on both sides. Moreover, Japan has a strong preference to settle differences amicably as opposed to entering contentious legal proceedings. Once the enforceability of settlement agreements arising out of mediation becomes a prevalent practice, such as arbitral awards under the New York Convention, mediation is expected to become the more popular method to settle a business dispute. If Japan does not ratify the Singapore Convention in a timely manner, the Japanese business community stands to suffer as it may not be able to persuade the opposing party to participate in mediation due to a lack of certainty on enforceability in Japan.

Mediation and arbitration have sometimes been combined in practice, known as 'med-arb' or 'arb-med', depending on which process was initiated first. There is an 'arb-med-arb' process that has also gained traction in recent years, where arbitration proceedings are commenced with preliminary cases filed (usually the notice of arbitration and corresponding response), followed by mediation, then back to arbitration proceedings if mediation is unsuccessful. The two are often intertwined, and if mediation gains traction as a dispute settlement tool, the popularity of arbitration will also rise. Overall, it would be beneficial for the business community to have multiple options in settling disputes.

Under the proposed new law on settlement agreements arising out of international mediation, parties to an international settlement agreement have to opt in to the application of the Singapore Convention or the law implementing the aforesaid Convention to enjoy the enforceability of settlement agreements arising out of mediation. In Japan, parties' express intent for a settlement agreement to be subject to the Convention is required to invoke the Convention. However, the timing and manner of opting in is not specified.

For a settlement agreement to be considered to have an international character, the new law requires one of the following to apply.

 All or some of the parties have addresses, offices and places of business in different countries. Where a party has multiple offices, the office most relevant to the subject matter of the dispute applies. A straightforward example is a settlement agreement involving a Japanese company and a Singaporean company.

- All or some of the parties' addresses, offices and places of business are different from the places of performance of a substantial part of the obligations or the places of subject matter of the agreement. For instance, a settlement agreement between Japanese parties in regard to performance of obligations in Singapore.
- All or some of the parties' addresses, offices and places of business are outside Japan
  or a majority of shareholders or equity holders thereof have addresses, offices and
  places of business outside Japan.

However, the requirements for enforceability of settlement agreements arising out of domestic mediations are different. For example, for a settlement agreement arising out of a domestic mediation to be enforceable, the mediation must be administered by a certified mediation institution under the ADR Act and the parties' intent to agree to enforceability of a settlement agreement must be explicitly set out in the settlement agreement.

International settlement agreements relating to consumers, employment, human resources, family matters and court-related mediations are not captured by the new proposed law. This is in line with article 1(2) and article 1(3) of the Singapore Convention. However, domestic settlement agreements relating to child support disputes will be enforceable under the new amendments.

Both the Tokyo District Court and the Osaka District Court will have additional jurisdiction in enforcing settlement agreements as long as Japanese courts have jurisdiction based on the respondent's address or where assets subject to attachment are located within Japan.

A new law to implement the Singapore Convention is anticipated to be enacted once Japan signs the Convention. It is not yet known when the signing will take place. We hope that the first successful mediation under the JIMC-SIMC Joint Covid-19 Protocol, discussed above, will encourage the MOJ to meet the needs of the business community by facilitating international mediation, amid the global challenges that must be faced by the government.

## Footnotes

- [1] https://probono2020.tokyo/Tokyo\_2020\_Pro\_Bono\_Service\_Report\_EN\_final.pdf.
- [2] https://www.tas-cas.org/fileadmin/user\_upload/OG\_20-13\_Order\_for\_publication.pdf.
- [3] https://www.reuters.com/lifestyle/sports/exclusive-olympics-belarusian-athlete-says-she-was-taken-airport-go-home-after-2021-08-01/.
- [4] https://www.moj.go.jp/content/001358284.pdf (Japanese only).
- [5] 2019 (wa) No. 13402, Hanrei Taikei database.
- [6] https://www.jimc-kyoto.jp/img/5f5dd469fb377cde0e9f19ba.pdf; https://simc.com.sg/v2/wp-content/uploads/2022/04/JIMC-SIMC-Covid-19-Joint-Protocol\_For-Web-2022.pdf.

[7] https://simc.com.sg/blog/2021/09/22/meet-the-co-mediators-who-overcame-cultural-odds-under-the-jimc-simc-covid-19-protocol/.

[8] ibid.

[9] https://www.moj.go.jp/content/001366234.pdf (Japanese only).

## **IN SUMMARY**

This chapter examines the impact of the Tokyo 2020 Olympics, hosted in summer 2021, on sports arbitration in Japan. It also looks at the planned amendments to the Arbitration Act and the introduction of a new act to ensure enforceability of settlement agreements arising from international mediation, and a recent international mediation between Japanese and Indian parties under the JIMC–SIMC Joint Covid-19 Protocol.

## **DISCUSSION POINTS**

- The Japan Sports Arbitration Agency's (JSAA) successful initiative to organise pro bono lawyers to assist athletes in need of legal representation during the Olympics
- Court of Arbitration for Sport (CAS) arbitrations hosted by the Japan International Dispute Resolution Centre (JIDRC) during the Olympics
- · Amendments to the Arbitration Act
- · Efforts to ensure enforceability of settlement agreements arising out of mediations

### REFERENCED IN THIS ARTICLE

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### JIDRC HOSTS HEARINGS FOR CAS ARBITRATIONS

Sports arbitration garnered special attention in Japan in 2021 thanks to the Tokyo Olympics. After much delay due to the covid-19 pandemic, Japan finally hosted the Tokyo 2020 Olympics from 23 July to 8 August 2021. It was a momentous occasion for both Japan and the world, as it fully met the logistical challenge of ensuring the safe participation of the games by world-class athletes despite the difficulties posed by the pandemic.

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## FIRST SUCCESSFUL MEDIATION UNDER JIMC-SIMC JOINT COVID-19 PROTOCOL

On 12 September 2020, on the same day the Singapore Convention on Mediation entered into force, the JIMC and the Singapore International Mediation Centre (SIMC) announced their plan to operate a joint protocol to provide cross-border businesses with an economical, expedited and effective route for resolving commercial disputes. The JIMC–SIMC Joint Covid-19 Protocol (the Protocol) was launched on 20 November 2020. It sets out the framework for online mediation for all disputes, regardless of whether the dispute is caused by the pandemic or by legislation relating to the pandemic. At the time of writing, the Protocol will be in force until 11 September 2022.

The central feature of the Protocol is that it allows for mediations to be conducted, in principle, completely online, by default, in light of the lockdowns on travel and the restrictions on group gatherings. This allows great flexibility in scheduling for all participants involved, which would include parties and their legal representatives, as well as the mediators (who are usually busy practitioners). Without the time and cost constraints of an in-person mediation, such as travel, daily hotel accommodation and expenses for venue and meals, it is easier for parties to find availability and to have the option of shorter sessions or to stagger mediation sessions across non-consecutive days. This potentially allows for parties to start their mediation efforts earlier, rather than months after a dispute has been referred to mediation due to scheduling conflicts. Such flexibility also removes the pressure of having to reach a settlement by a certain deadline, which may result in regret or choosing to take a hard stance that impedes parties from engaging in meaningful discussions. Parties can reconvene easily if a break is needed, whether to accommodate conflicting schedules or a cool-down period that would be beneficial to both sides.

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This case dispels the traditional notion that mediations must be conducted in person to enable the collection of information from the other party in the form of non-verbal cues and body language. With firm and intentional guidance of experienced mediators on the panels of both the JIMC and the SIMC, who are often highly respected practitioners in their own fields, mediations conducted entirely online can be cost-effective, efficient and satisfactory, allowing parties to move on from the dispute and direct resources back to their business.

## A NEW LAW TO AFFORD ENFORCEABILITY OF SETTLEMENTS ARISING OUT OF INTERNATIONAL MEDIATIONS

On 4 February 2022, the Legislative Council for the MOJ finalised a plan to enshrine in the legislation the enforceability of settlement agreements arising out of both domestic and international mediations. <sup>[9]</sup> The Act on Promotion of Use of Alternative Dispute Resolution (Act No. 151 of 1 December 2004) (the ADR Act) will be amended to ensure enforceability of settlement agreements arising from domestic mediations, while a new Act will be promulgated for the enforcement of settlement agreements arising out of international mediation.

The aim of the new legislation on international mediations is to implement the Singapore Convention in Japan. This move is significant as it was the result of the MOJ's response to feedback from the business community and practitioners, who emphasised the importance of mediation and the Singapore Convention. In fact, the MOJ commissioned the Legislative Council to prepare for a legislative plan to implement the Singapore Convention before the Japanese government officially announced its decision to sign the Convention.

The planned implementation of the Singapore Convention is an important and timely development on the mediation front for the Japanese business community. Mediation has become more popular among the international business community because it is the most efficient, flexible and productive way to settle disputes between parties with ongoing relationships, and much faster and cheaper compared with other forms of disputes resolution, such as arbitration or litigation. Parties often agree to a mutually acceptable settlement, so that the outcome of mediation is more palatable and satisfactory on both sides. Moreover, Japan has a strong preference to settle differences amicably as opposed

to entering contentious legal proceedings. Once the enforceability of settlement agreements arising out of mediation becomes a prevalent practice, such as arbitral awards under the New York Convention, mediation is expected to become the more popular method to settle a business dispute. If Japan does not ratify the Singapore Convention in a timely manner, the Japanese business community stands to suffer as it may not be able to persuade the opposing party to participate in mediation due to a lack of certainty on enforceability in Japan.

Mediation and arbitration have sometimes been combined in practice, known as 'med-arb' or 'arb-med', depending on which process was initiated first. There is an 'arb-med-arb' process that has also gained traction in recent years, where arbitration proceedings are commenced with preliminary cases filed (usually the notice of arbitration and corresponding response), followed by mediation, then back to arbitration proceedings if mediation is unsuccessful. The two are often intertwined, and if mediation gains traction as a dispute settlement tool, the popularity of arbitration will also rise. Overall, it would be beneficial for the business community to have multiple options in settling disputes.

Under the proposed new law on settlement agreements arising out of international mediation, parties to an international settlement agreement have to opt in to the application of the Singapore Convention or the law implementing the aforesaid Convention to enjoy the enforceability of settlement agreements arising out of mediation. In Japan, parties' express intent for a settlement agreement to be subject to the Convention is required to invoke the Convention. However, the timing and manner of opting in is not specified.

For a settlement agreement to be considered to have an international character, the new law requires one of the following to apply.

- All or some of the parties have addresses, offices and places of business in different countries. Where a party has multiple offices, the office most relevant to the subject matter of the dispute applies. A straightforward example is a settlement agreement involving a Japanese company and a Singaporean company.
- All or some of the parties' addresses, offices and places of business are different from the places of performance of a substantial part of the obligations or the places of subject matter of the agreement. For instance, a settlement agreement between Japanese parties in regard to performance of obligations in Singapore.
- All or some of the parties' addresses, offices and places of business are outside Japan
  or a majority of shareholders or equity holders thereof have addresses, offices and
  places of business outside Japan.

However, the requirements for enforceability of settlement agreements arising out of domestic mediations are different. For example, for a settlement agreement arising out of a domestic mediation to be enforceable, the mediation must be administered by a certified mediation institution under the ADR Act and the parties' intent to agree to enforceability of a settlement agreement must be explicitly set out in the settlement agreement.

International settlement agreements relating to consumers, employment, human resources, family matters and court-related mediations are not captured by the new proposed law. This is in line with article 1(2) and article 1(3) of the Singapore Convention. However, domestic settlement agreements relating to child support disputes will be enforceable under the new amendments.

Both the Tokyo District Court and the Osaka District Court will have additional jurisdiction in enforcing settlement agreements as long as Japanese courts have jurisdiction based on the respondent's address or where assets subject to attachment are located within Japan.

A new law to implement the Singapore Convention is anticipated to be enacted once Japan signs the Convention. It is not yet known when the signing will take place. We hope that the first successful mediation under the JIMC-SIMC Joint Covid-19 Protocol, discussed above, will encourage the MOJ to meet the needs of the business community by facilitating international mediation, amid the global challenges that must be faced by the government.

## **Endnotes**

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