

Council for Promotion of Foreign Direct Investment in Japan
Working Group for Revising Regulations and Administrative Procedures
Final Report

April 24, 2017

I. History of discussion

Through the promotion of Abenomics, the government of Japan has proceeded with the establishment of environments that facilitate conduct of business for not only Japanese companies but also foreign companies. The Council for Promotion of Foreign Direct Investment in Japan especially made efforts to improve the business environment for foreign companies and the living environment for foreigners by determining the “Five Promises for Attracting Foreign Businesses to Japan” (March 17, 2015) and the “Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub” (May 20, 2016) to expand foreign investments. Partly because of the effects of these solutions, foreign companies’ evaluation of Japan as a target of their investments has improved, resulting in an increase in direct investments in Japan.

On the other hand, foreign companies have continued to point out that the complexity of regulations and administrative procedures is one of the main factors for hindering their conduct of business in Japan. For this, in the “Policy Package for Promoting Foreign Direct Investment into Japan to Make Japan a Global Hub”, “Basic Policy on Economic and Fiscal Management and Reform 2016” (Cabinet decision on June 2, 2016), and the “Japan Revitalization Strategy 2016” (Cabinet decision on June 2, 2016), the government of Japan will draw conclusions within a year concerning fundamentally simplification of regulations and administrative procedures related to foreign companies’ investments in Japan (Matters on which conclusions can be reached early on will be addressed ahead of others by deciding on concrete solutions by the end of 2016).

Responding to these policies, the Working Group for Revising Regulations and Administrative Procedures under the Council for Promotion of Foreign Direct Investment in Japan held discussions from August in 2016 concerning the issues about regulations and administrative procedures pointed out by foreign companies and experts supporting them and about solutions for reviewing the issues. Based on the discussion so far, the Working Group has compiled the concrete solutions as follows that are to be carried out by the related government agencies. We hope that the matters described in this report will be promptly and steadily implemented, including on-site operations. Additionally, as such revision of regulations and administrative procedures are useful for not only foreign companies but also domestic companies, it is important to publicly announce and thoroughly disseminate these measures to invite more investments both from domestic and overseas companies.

II. Issues and solutions in each field

1. Incorporation and registration of companies

(1) Payment certificate

[Issue 1]

When a foreign company incorporates a subsidiary stock company in Japan, the contribution

in money for the capital must be paid to the bank account (in Japan) of the incorporator or the person appointed as representative director of the subsidiary. In addition, a document evidencing the completion of payment of the contribution (payment certificate) must be attached at the time of the application for registration of incorporation. However, in reality, incorporating foreign companies or the prospective representative directors living in a foreign country have difficulties in opening a bank account in Japan because they do not have addresses in Japan. As a result, the payment of the contribution cannot be executed, and smooth implementation of the procedure for corporate foundation is hindered.

(Solutions)

- Regarding the range of holders of bank account for payment certificate, the Director-General of the Civil Affairs Bureau of the Ministry of Justice issued a notification on March 17, 2017, which allows a person appointed as director of the subsidiary to be such a bank account holder. In addition, if no incorporators nor directors at incorporation have any residential address in Japan¹, the notification allows a person other than listed above to be the holder of bank account².
- Regarding the range of financial institutions to which contribution in money can be paid under the Companies Act, the Director-General of the Civil Affairs Bureau of the Ministry of Justice issued a notification on December 20, 2016 to clarify and inform the parties concerned that contribution can be paid to overseas branches of Japanese banks, in addition to domestic branches of Japanese and foreign banks. Moreover, since October 2016, the Financial Services Agency has requested the three Japanese banks that have bases all over the world (the so-called three megabanks) to develop a framework, and each of them is planning to develop such a framework promptly. A list of contact point for consultation at each megabank has been placed on the website of JETRO in March 2017.³ [Ministry of Justice; Financial Services Agency]

(2) Signature certificate

Issue 2

In the application for corporate registration by a foreigner who does not have a seal certificate, a signature certificate issued by the authorities of the home country may be needed as the substitute for a seal certificate. The applicant had to acquire a signature certificate in the foreigner's home country or in Japan (the country's consul in Japan⁴). Because of this, if a foreigner lived in a third country, he or she needed to go to the home country or Japan to acquire a signature certificate, which was a great burden.

(Solutions)

- In order to reduce the inconvenience in the acquisition of a signature certificate, the Director-General of the Civil Affairs Bureau of the Ministry of Justice issued a notification on June 28, 2016. Concretely, regarding a foreigner's signature certificate for corporate registration, those issued by the home country's authorities in a third country (such as the home country's

¹ The address of the incorporators and directors at incorporation can be confirmed by the documents required to be attached to the application for corporate registration, therefore it is not necessary to prepare other documents separately for evidencing.

² A document should be attached to the application which proves that the incorporator authorizes the person to receive the contribution. This is same as the procedure for authorizing the representative director at incorporation to receive it.

³ (Japanese) https://www.jetro.go.jp/invest/setting_up/section1/reference.html#r3

(English) https://www.jetro.go.jp/en/invest/setting_up/laws/section1/reference.html#r3

⁴ Some countries' consuls in Japan do not issue a signature certificate for corporate foundation.

consul in his/her country of residence) were permitted. In addition, the notification also specified that, a signature certificate issued by a Japanese notary or the authorities in the country of residence was permitted as a relief measure if a signature certificate could not be acquired from the home country's authorities due to inevitable reasons, such as legal reasons in the home country. [Ministry of Justice]

- The notification by the Director-General of the Civil Affairs Bureau of the Ministry of Justice dated as of February 10, 2017 revised the above notification, and enabled a foreigner who visits to Japan to acquire a signature certificate necessary for corporate foundation, by permitting signature certificate issued by a Japanese notary in the case that the home country's consul in Japan does not issue a signature certificate, even if a signature certificate can be acquired in the home country or the country of residence⁵. In addition, on the same day, Ministry of Justice clarified cases where a signature certificate prepared by a Japanese notary or the authorities in the country of residence is permitted. [Ministry of Justice]

(3) Provision of information on notifications concerning incorporation

Issue 3

Because notifications concerning incorporation, except for some simple descriptions, are unavailable on the website of the Ministry of Justice, foreign companies planning to found subsidiaries in Japan and their supporters cannot easily check the procedures related to the Companies Act.

(Solution)

- On September 28, 2016, the Ministry of Justice created a web page showing “Main Notifications related to Commercial and Corporate Registration” on its website⁶ and began to show the whole texts of related notifications issued after the Companies Act came into force in 2006. [Ministry of Justice]
- On March 21, 2017, the Ministry of Justice created a new web page about the “Procedures for Commercial and Corporate Registration by Foreigners and Overseas Residents”⁷ to explain the procedures concerning incorporating a company in Japan by foreigners and the registration procedures when directors of a company or a corporation resides overseas.

(4) Translation of application documents for registration

Issue 4

When a foreign company establishes a subsidiary or branch in Japan, the Legal Affairs Bureau and the notary usually request the company to translate the application documents into Japanese. In such cases, they sometimes request the company to translate portions not related to the application. This is a burden to the company.

(Solution)

- Ministry of Justice specified the cases where foreign companies can omit Japanese translation of the documents to be submitted for the authorization of the articles of incorporation, the

⁵ More concretely, Ministry of Justice permitted the replacement of a seal certificate with a signature certificate prepared by a Japanese notary and a report to the effect that the home country's consul does not issue a signature certificate. In such a case, the report is acceptable if it states that the applicant asked the embassy and received a response that they had not issued a signature certificate.

⁶ http://www.moj.go.jp/MINJI/minji06_00098.html

⁷ http://www.moj.go.jp/MINJI/minji06_00104.html

registration of a domestic stock company, and/or the registration of a foreign company, etc., and publicly announced those cases on the website of the Ministry of Justice on January 25, 2017.⁸ The website shows matters that are included in minutes of general shareholders meeting or board of directors meeting of a foreign company but do not relate to the registration in Japan, parts in a certificate of company registration in a foreign country but do not relate to the registration in Japan, and parts in various certificates that do not relate to the registration or the certification as examples of those cases. [Ministry of Justice]

(5) Tally signature procedure

Issue 5

When a company applies for the certification of articles of incorporation, etc., tally seals are necessary for guaranteeing the genuineness of the preparation in practice. If the applicant is a foreign company, the representative of the company is required to affix tally signatures as an alternative to tally seals. Because a tally signature is unfamiliar in foreign countries, it practically takes a lot of time and effort to explain it to the representative and exchange documents with a foreign country by mail.

(Solution)

- As measures without using a tally signature for the procedure for certifying the articles of incorporation, etc. when a foreign company or resident is the incorporator, Ministry of Justice clarified that a signature or a hand-written initial on a blank space of each page is permitted, and publicized it on its website.⁹ [Ministry of Justice]

(6) Opening of a bank account after incorporation

Issue 6

Because it takes time to open a bank account for a Japanese company newly founded as a foreign company's subsidiary or because the opening of such a bank account may be denied, foreign companies that wish to begin business in Japan in earnest often suffer time or economic loss.

(Solution)

- The Financial Services Agency requested the three megabanks to promptly develop a support system for smooth opening of bank accounts for domestic subsidiaries or branches of foreign companies, such as listing of bank branches where such procedures will be handled smoothly, information sharing, and appropriate processing of clerical affairs. Responding to the request, the three megabanks have developed such a framework and clarified the contact point for consultation. A list of contact points has been placed on the website of JETRO in March 2017¹⁰ [Financial Services Agency]

2. Status of residence

(1) Burden of carrying out procedures

Issue 1

It is burdensome to carry out the procedures for status of residence, including those to be carried

⁸ "Translation of Documents that are Attached to Applications for Commercial Registration"
http://www.moj.go.jp/MINJI/minji06_00102.html

⁹ http://www.moj.go.jp/MINJI/minji06_00104.html

¹⁰ (Japanese) https://www.jetro.go.jp/invest/setting_up/section1/reference.html#r3
(English) https://www.jetro.go.jp/en/invest/setting_up/laws/section1/reference.html#r3

out at the Immigration Bureau. In addition, it takes time to carry them out because the Immigration Bureau is congested.

(Solution)

- To start the on-line system for carrying out the procedure for status of residence in FY2018, proceed with the preparations after considering the whole vision and details of the on-line system, such as the range of target procedures, approximately within the first half of 2017. [Ministry of Justice]

Issue 2

Although the standard period for handling the procedure for status of residence has been publicly announced, it is difficult to estimate time necessary for the completion of the procedures because it may take a certain period of time from application to authorization.

(Solution)

- Begin to publish data on the results of procedure periods in early FY2017 so that applicants can refer to the data for estimating the time necessary for completing the procedure. In addition, when considering establishing an online system for the procedure for status of residence, also consider introducing a system for online check of the status of progress for online applications (application accepted, under examination, result notified, etc.). [Ministry of Justice]

(2) Highly - skilled foreign professionals

Issue 3

Highly - skilled foreign professionals should be invited further. It is difficult to invite highly skilled foreign professionals to Japan because of severe requirements for status of residence related to accompanying persons, such as restriction on spouse's employment and accepting domestic workers.

(Solution)

- Establish the world's fastest system for obtaining "Japanese Green Card for Highly- Skilled Foreign Professionals" in April 2017 to shorten the residence period of five years necessary for an application for permission of permanent residence. More concretely, foreign nationals are allowed to receive the permission of permanent residence only after one-year residence in Japan if their score is 80 points or more in the points-based system for highly - skilled foreign professionals, or after three-year residence in Japan if their score is 70 points or more. [Ministry of Justice]
- Regarding highly - skilled foreign professionals, although spouses' full-time employment and the acceptance of domestic workers are permitted, revise the points-based system for highly - skilled foreign professionals in April 2017 to increase the evaluation items such as giving bonus points to people who are engaged in an advanced project in a growth filed (IT,etc.) with the involvement of a relevant ministry or agency, or who graduated a top-class university, to facilitate the acceptance of highly - skilled foreign professionals. [Ministry of Justice]
- To satisfy highly- skilled foreign professionals' need to live with domestic workers, such as a servant who engages in housework for the family members living in the country of origin, after coming to Japan, consider revising the requirements for the acceptance of domestic

workers accompanying highly - skilled foreign professionals and take necessary measures by around the fall of 2017. [Ministry of Justice]

Issue 4

When a foreigner comes to Japan in a short-term business trip and conducts business that includes activities beyond the scope permitted under the “temporary visitor” status in association with their permitted activities such as business meetings and after-sale services, he/she needs to obtain a certificate of status of residence or a visa in the areas of “engineer/specialist in humanities/international services, etc.” However, the requirements to obtain the certificate or the visa are unclear, for example, whether he/she needs an employment contract with a Japanese company.

(Solution)

- Publicly disseminate necessary information in around the summer in 2017, such as the interpretation of “contract with a public or private organization in Japan” included in the requirements for obtaining the “engineer, specialist in humanities, international services” status of residence by a foreign researcher or technician, etc. who visits Japan for business trip. [Ministry of Justice]

3. One-stop administrative services (Tokyo One-Stop Business Establishment Center)

Issue 1

In April 2015, the Tokyo One-Stop Business Establishment Center was founded in a national strategic special zone. The Center has booths that integrate procedures related to corporate foundation, such as notaries’ authorization of articles of incorporation, commercial registration, tax affairs (national and metropolitan taxes), pension and social insurance, and issue of certificates for status of residence. However, because limitations are imposed on its services, such as not accepting applications related to national taxes and commercial registration, its convenience should be improved.

(Solution)

- As of December 22, 2016, The Tokyo One-Stop Business Establishment Center allowed to accept all eight types of applications, giving advice about the preparation of documents. [Cabinet Office (Secretariat for Promotion of Regional Revitalization), etc.]
- In addition, as of the same day, the center established an environment for personal computers and IC card reading and writing devices so that electronic applications can be submitted in six fields, including registration, taxation, pension, etc., and create a support system for electronic applications. [Cabinet Office (Secretariat for Promotion of Regional Revitalization), etc.]

Issue 2

Because the Tokyo One-Stop Business Establishment Center limits the acceptance of applications for status of residence to “business manager” and “intra-company transferee” and because applications have to be submitted within six months after corporate foundation, the convenience of the application system should be improved.

(Solution)

- On December 22, 2016, “engineer, specialist in humanities, international services” was added to the types of status of residence for which the Tokyo One-Stop Business

Establishment Center can accept applications. [Cabinet Office (Secretariat for Promotion of Regional Revitalization), etc.]

- The range of companies that can submit applications for status of residence to the Center was expanded from those within six months after the foundation to one year, on December 22, 2016. The range is to be further expanded to those within three years after the foundation by around April 2017, and those within five years after the foundation by around April 2018. [Cabinet Office (Secretariat for Promotion of Regional Revitalization), etc.]
4. Provision of information in foreign languages and enhancement of consultation services for foreign companies

Issue 1

Government offices do not provide sufficient information in foreign languages. A lot of information in foreign languages has not been provided or updated.

Although JETRO has provided information and given consultation services to foreign companies as the investment promotion organization, as interests and requests from foreign companies have not sufficiently reached competent authorities that are responsible for relevant systems and business, such interest and needs have not yet been met sufficiently. A need remains to disseminate more information and provide consultation in collaboration between JETRO and each government agency.

(Solution)

- Strengthen each government office's provision of information in foreign languages concerning highly necessary information about business activities and living.

<Examples of solutions>

- Prepared information in English related to main notifications and other documents that are expected to be used by foreign taxpayers, and showed them on the website¹¹. (Information related to main tax returns are to be available in June 2017.) Prepare manuals on main operation of e-Tax in English and show them on the website in around May 2017. [National Tax Agency]
- Prepared guides to social insurance, etc. in English and showed them on the website¹². [Ministry of Health, Labour and Welfare]
- Modified the website of the Cabinet Office "INVEST JAPAN" to be more convenient.¹³ [Cabinet Office]
- Prepare the English version of websites of "The Office of INVEST JAPAN" in each government agency. [Each government agency]
- For accepting more highly - skilled foreign professionals, thoroughly publicize domestically and internationally, including publicity by the top administration officials, how the living environment in Japan is improved, highlighting the enhanced educational environment for children of such highly - skilled foreign professionals through the implementation of integrated education of Japanese and other educational subjects (JSL curriculum), and how the immigration system for highly - skilled foreign professionals is open, in collaboration with Japanese diplomatic missions abroad and JETRO, etc.

¹¹ https://www.nta.go.jp/foreign_language/main_notifications/index.htm

¹² Industrial Accident Compensation Insurance:

<http://www.mhlw.go.jp/english/policy/employ-labour/labour-standards/index.html>

Employment insurance (for foreigners):

http://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/koyou/koyouhoken/index.html

Pension (Japan Pension Service): <https://www.nenkin.go.jp/international/english/healthinsurance/employee.html>

¹³ (Japanese) <http://www.invest-japan.go.jp/index.html>

(English) http://www.invest-japan.go.jp/en_index.html

[Ministry of Economy, Trade and Industry, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Justice, Ministry of Foreign Affairs, etc.]

- For promoting establishment of a business base in Japan by foreign financial business operators, the Financial Services Agency launched the “Financial Market Entry Consultation Desk” in April 2017 and started giving advice on registration procedures and interpretations of financial regulations. The FSA closely cooperates with the Tokyo Metropolitan Government for establishment of a joint consultation scheme that can comprehensively respond to inquiries for setting up an office in Tokyo, such as corporate registration, other than financial regulations. [Financial Services Agency]
- JETRO shall enhance the capability to collect, compile, and analyze information on needs by foreign companies regarding regulations, administrative procedures and information in foreign languages, in cooperation with government agencies. JETRO shall also use the hot line system about foreign direct investment in Japan and actively make a request and proposal to government agencies. Each government agency shall respond and answer to such requests and proposals faithfully. [Each government agency]

Issue 2

Even if each government office provides information in foreign languages, it is difficult to find due to poor listing.

(Solution)

- Made the website of JETRO as the portal site for each government agency’s information in foreign languages.¹⁴
- For the JETRO portal site, establish a system for smoothly expanding and updating information, and continuously improve the content and convenience of the site from a user viewpoint.

5. Import into Japan

(1) Statistical codes of commodities (such as HS codes¹⁵)

Issue 1

It sometimes takes a lot of time to classify and check the statistical codes of commodities used for customs clearance, and the procedure has become a burden to companies. In addition, although the Japan Customs provide information on statistical codes, commodity names, other laws and regulations,¹⁶ tariff rates, etc. on its website, information on the procedures necessary under other laws and regulations is insufficient.

¹⁴ (Japanese) <https://www.jetro.go.jp/invest/>

(English) <https://www.jetro.go.jp/en/invest/>

¹⁵ The purpose of the HS codes is to classify imported commodities. Each code consisting of the six digits identified internationally by WCO (World Customs Organization) is referred to commonly as the HS code. Each country can add and code at a level beyond that of the HS. Japan has added three digits after the six digits (national subdivisions) for the purpose of setting the tariff rates and collecting trade statistics, resulting in nine digits in total (statistical codes of commodities). As of April 2017, the members of the HS (Harmonized System) Convention are 155 countries, including Japan, and the EU. The HS codes are used by more than 200 countries and regions, including countries that have not acceded to the Convention. Over 98% of the merchandise in international trade is classified in terms of the HS. The classification of goods in the HS Nomenclature is governed by the “General Rules for the interpretation of the Harmonized System” to achieve uniform classification. If a foreign country has a different view on the classification of the commodity, Japanese government endeavors to secure uniform interpretation and application in cooperation with other member countries through WCO’s HS committee and other occasions.

¹⁶ When some types of commodities are imported, as a precondition for the permission of the import it is necessary to prove to the customs house the completion of the procedures specified in any law or regulation other than those related to tariff (such as the Food Sanitation Act and the Act on Domestic Animal Infectious Diseases Control).

(Solution)

- The national subdivisions of toys were merged in the amendment of Custom Tariff Law in FY 2017. Regarding the statistical code of commodities related to apparel and clothing, the national subdivisions that are unnecessary in light of tariff rate and are not much required for collecting trade statistics are streamlined; beginning with T-shirts in FY2017 (Public Notice No. 51 of the Ministry of Finance published on February 28, 2017 and enforced on April 1, 2017)¹⁷ and considering reviewing for other items in FY2018. Regarding the national subdivisions of the commodities other than apparel and clothing, the related ministries shall proceed with measures for reduction. [Ministry of Finance, etc.]
- When holding consultation about the classification of commodities, ensure not to impose an excessive burden on the business operators by requesting the provision of more than necessary Japanese information on English materials or by asking unnecessary questions.¹⁸ At the meetings of Custom-House Officials held in January and February 2017, the Customs and Tariff Bureau gave instructions to proceed with the above policy and shall periodically call for attention to ensure the thorough implementation of the policy. [Ministry of Finance]
- A new customs tariff schedules (Japanese) was uploaded on the website of Japan Customs on March 31, 2017, which added a column indicating legal procedures under other laws and regulations so that applicable legal procedures and competent government agencies can be confirmed by each concerning commodity or statistical code and linked to website of each government agency. The English version of the new schedules will be available by the end of April. [Ministry of Finance]
- To improve users' convenience when referring to a database of answering advance rulings for the classification of commodities, photos of the goods at issue started to be added on the website in March 2017, if consent is gained from business operators. [Ministry of Finance]

(2) Japanese Industrial Standards (JIS)

Issue 2

Because it takes a few years between the agreement of international standards for a product and the reflection of the standards in JIS, even if a foreign company has completed inspection according to the new international standards, the company sometimes has to inspect the product again according to the old standards only to export it to Japan. In addition, Japan's standards for the indication of goods are not very consistent globally.

(Solution)

- In order to revise JIS quickly after the enforcement of international standards, guideline for reviewing proposed standards in the Japanese Industrial Standards Committee was revised in March 2017, which enabled preparation of a JIS draft at the discussion stage of international standards when establishing JIS that conforms to an international standard. (Under the previous guideline, JIS Drafting Committee was not allowed to start discussion until the relevant international standard is about to be established.¹⁹) [Ministry of Economic, Trade and Industry]

¹⁷ National subdivisions of toys were reduced from 19 to 1, and those of T-shirts were reduced from 11 to 6.

¹⁸ Even before obtaining the customs house's permission of import, if it takes a lot of time to classify a new type of commodity, the importer can exceptionally receive the commodity by carrying out the required procedures.

¹⁹ For standards established by ISO (International Organization for Standardization) or IEC (International

- In the case of revising international standards that are highly likely to be referred to the Electrical Appliances and Materials Safety Act through the corresponding JIS, make them well-known among industrial associations at the beginning of discussions at ISO/IEC in order to encourage them to participate, and if necessary, start the examination about JIS at an early stage. [Ministry of Economy, Trade and Industry]
- In FY 2017, to shorten the time necessary for discussion and establishment of JIS standard, measures were proceeded including enhancement of Competent Standardization Body system that allows omitting discussions at technical committees of Japanese Industrial Standards Committee.^{20,21} [Ministry of Economy, Trade and Industry]
- After global integration of JIS concerning the labeling of washing, the Textile Goods Quality Labeling Regulations was revised to specify the duty to use marks according to the integrated part of JIS and came into force on December 1, 2016. [Ministry of Economy, Trade and Industry; Consumers Affairs Agency]

(3) Regulations and procedures under the Food Sanitation Act

Issue 3

Whereas the negative list system²² is used for the standards for utensil, containers and packaging (such as tableware) under the Food Sanitation Act in Japan, the positive list system²³ is used in the countries such as EU and U.S.A., lacking the international consistency.

(Solution)

- Towards the introduction of the positive list system for the standards for tableware, the Study Panel on Regulations for Utensil, Containers and Packaging considered a concrete system for improving the safety of tableware, prepared a draft final report on March 17, 2017, and received public comments. The Study Panel shall complete the final report by the end of May. The ministry shall continue discussions towards the introduction, referring to the developments in other countries and considering international harmonization to utilize it as a common rule for both exports and imports. [Ministry of Health, Labour and Welfare]

Issue 4

When tableware is imported, it is sometimes difficult to know whether the tableware should be inspected under the Food Sanitation Act and how many samples are needed for the inspection unless the importer asks the quarantine station. In addition, even if the importer submits the testing results report, issued by the Foreign Official Laboratories listed by the Ministry of Health, Labour and Welfare, to the quarantine station, the importer may be required to make

Electrotechnical Commission), a draft of international standard is indicated to each country within 24 months after new working items are approved. JIS Drafting Committee started discussions on the revision of JIS at and after this procedure.

²⁰ As cases of which drafting is led by JSA account for 70% of the cases under review by the Japanese Industrial Standards Committee annually, it is allowed to omit review of these cases by a technical committee in each area.

²¹ Previously, it was prescribed that the standard form and style would be checked after a draft was prepared by a private drafting committee (approximately four months). Under the new rule, as review and checking are conducted by a drafting committee at the same time, the period from the completion of the draft by the private drafting committee to the public announcement by the Ministry of Economy, Technology, Industry is expected to be shortened from approximately 12 months to six months (or eight months if the review is conducted by a technical committee in each area at JISC).

²² System for listing the substances which are allowed to be used in principle, but are limited in usage

²³ System for listing the substances which are prohibited to be used in principle, but are allowed to be used

an additional confirmation or a correction peculiar to Japan. Moreover, these matters may be sometimes handled differently among quarantine stations and impose a burden on companies.

(Solution)

- Arrange necessary information for inspection of tableware under the Food Sanitation Act, such as an estimated number of required samples, the items to be included in the testing results report and other notices, and provide the information through the website of the Ministry of Health, Labour and Welfare by the end of April 2017.²⁴ [Ministry of Health, Labour and Welfare]

6. Others

(1) Requirement for construction business license

Issue 1

To obtain construction business license, it is necessary to appoint a person with a certain amount of experience of being responsible for management and operation in construction business (officer or equivalent person) as full-time officer. However, it is difficult for foreign companies in their personnel affairs to hire such a person and place the person in its affiliated company in Japan, which makes it more difficult to obtain license for construction business.

(Solution)

- According to the Regulatory Reform Implementation Plan established by the Cabinet in June 2015, the following solutions should be carried out to review the standards for construction business license:
 - i. Regarding five years' experience and the number of years of experience as a requirement for persons of equivalent capacity, examine the possibility of reducing the number of years of experience to some extent, for example, by creating a training system as a substitute for experience. [The examination began in FY2015; the conclusion is made and the solutions are taken in FY2016.]
 - ii. Examine what the standards for construction business license should be to guarantee appropriate management of construction business, including a review for making the requirements more appropriate and rational so as to fulfill the purpose of the regulation. [The examination began in FY2015.]

For Treatment i, when calculating the number of years of experience required for people who have an equivalent capability, consider counting working experience at a lower position that does not qualified under the current rule, as well as shorten the required number of years of experience in other areas from seven to six years, both of which are examined for execution in June 2017. For Treatment ii, the Construction Industry Policy Conference shall continue discussions. [Ministry of Land, Infrastructure, Transport and Tourism]

(2) Translation of application documents concerning employment placement business between Japan and a foreign country

Issue 2

To conduct employment placement business between Japan and a foreign country, it is necessary to submit an application or a report to Prefectural Labour Bureau. In this case, the Labour Bureau demands the submission of an entire translation of the related labor laws and

²⁴ Some toys are subjected to the Food Sanitation Act. Although the Ministry of Health, Labour and Welfare has published "Toys Q&A" on its website, because there are various types of toys, the quarantine stations sometimes needs to make individual and concrete judgments.

regulations in the foreign country, thereby imposing a heavy burden on companies.

(Solution)

- To reduce companies' burden as much as possible, rules on the "Business Operational Rules for Employment Placement Business" was revised to limit the range of documented information that companies should submit to the Labour Bureau. The new rule requires to submit only a part of the laws and regulations that prove the applicant is permitted to conduct the employment placement business in the concerned foreign country²⁵ and Japanese translation of the part. This new rule was applied as of January 30, 2017 and it was thoroughly disseminated to each Labour Bureau for their compliance. [Ministry of Health, Labour and Welfare]

(3) Display of unapproved medical equipment

Issue 3

Regarding the display of unapproved medical devices, it is difficult to understand in which cases such devices can be displayed without conflicting with the Pharmaceuticals and Medical Devices Act and in which cases the display is not approved.

(Solution)

- Checked what points were unfamiliar to medical device industries concerning the enforcement of the regulation, and considered how to clarify and disseminate rules about whether to display unapproved medical devices at exhibitions in FY 2016. A public notice of the rules shall be issued by around June 2017 that clarifies how to display unapproved medical devices at exhibitions based on the points confirmed with medical device industries and after gathering public comments. [Ministry of Health, Labour and Welfare]

²⁵ It means a part of applicable laws and regulations in the concerned foreign country that indicates the basis of the permission of conducting employment placement service, and a part of the contract between the applicant and an employment placement agency in the concerned foreign country that clearly explains the role of each, etc .